



**INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT) BASED BUSINESS  
INCUBATION PROGRAM - KENYA**

**TERMS OF REFERENCE (TOR) FOR INDIVIDUAL CONSULTANT**

**Terms of Reference for consultancy**

The Kenya ICT Board wishes to hire an Individual Consultant to assist in the selection of a host organization for an Information, Communication and Technology (ICT) Based Business Incubator in Kenya

**1. Background**

In a rapidly changing global economy, small and medium enterprises (SMEs) are increasingly becoming a force in enhancing national economic growth, especially in employment and wealth creation. In many more competitive economies than ours, business incubation is among tools that have been used successfully in creating new entrepreneurs and new businesses by dramatically reducing the high early stage failure rate of small businesses. Business incubator programs, sometimes referred to as “new entrepreneur creation projects”, help develop new entrepreneurs through support mechanisms that enable them to start and grow businesses to become sustainable. They are often defined as places where entrepreneurs receive value-added support and access to critical tools, information, education, contacts, capital, and other resources that may otherwise be unaffordable, inaccessible, or unknown to the supported entrepreneurs.

The need for business incubation cannot be overemphasized as it is able to fill gaps that have been identified in SME support activities. These gaps include capacity building in entrepreneurship, business counseling, bookkeeping, shared facilities, increased innovative approaches to SME finance, better linkages between the academic community and industry, and better and quicker commercialization of innovations. Business incubators

target small entrepreneurs that want to grow, new graduates from tertiary institutions, and anyone who would like to develop ideas, products, and services to full commercialization.

Well-structured business incubators are known to provide links to industry; support services that enhance and develop the business; upgrade skills and techniques; technological advice; technical assistance; intellectual property protection; financial resources for R&D; initial marketing expenses; and access to potential private investors and strategic partners.

To optimize the impact of SMEs in the economy, stakeholders in the sector need to coordinate and harmonize their interventions through strategic alliances. Through its programs and activities, the Kenya ICT Board (KICTB) is ready to collaborate with these stakeholders towards advancing entrepreneurship in Kenya.

The KICTB under the Kenya Transparency Communication and Infrastructure Project (KTCIP) has some funds to assist in developing an ICT-based business incubator in Kenya in order to transform ideas into competitive businesses. These funds will not only provide technical assistance but will also support the Board in deciding how the funds can be leveraged for the best outcome.

Working with other stakeholders, the KICTB plans to first set up a pilot ICT-based business incubator for a period of three to four years. The host organization for the incubator would be chosen through a competitive selection process and would receive a grant of up to US\$1.2m, to be paid in a series of tranches, to establish the incubator. The incubator could also serve as a support structure to some of KICTB's current programs, such as the content grants, or the Digital Villages program, if appropriate. It would also work closely with the Mobile Applications Lab, established in Nairobi with support from *infoDev* / Finland / Nokia and with the IFC SME Solutions Centre.

The exact design and partnership strategy for the development of such an incubator would need to be further refined.

## **2. Objectives of the assignment**

KICTB is planning to recruit an experienced Individual Consultant to; 1) develop an indicative business plan, 2) develop a public private partnership (PPP) arrangement for such an incubator, 3) assist in the competitive selection process for the ICT-based incubator, 4) provide limited support throughout implementation.

The ICT-based business incubator should:

- Create affordable office space for SME ICT companies ;
- Create knowledge sharing among incubated companies and facilitate complementary exchange of services by designing a physical and social environment that fosters networking
- Build capacity among the broad business community in the use of ICTs and how to reengineer their business processes through programs at the incubator;
- Assist in attracting foreign investment into local ICT companies and services providers by giving them an easy platform to enter the country;
- Position Kenya as an ICT innovator on the African continent through the pilot of a sustainable business incubation centre focused on ICT;
- Generate funds in the longer term to support its expansion to other cities;
- Provide a working model for practitioners considering implementation of a similar sustainable business incubator model within the country and region.

### **3. Scope of services**

The consultant should be available from mid/end-November 2010. An initial call for expressions of interest will be published by mid-November to identify potential host organizations for establishing the ICT-based business incubator. The main tasks to be carried out by the consultant (over a longer period of time) are as follows:

#### **Phase 1: Mid November 2010-January 2011 (Total, 20 days work)**

1. Familiarization with the ICT SME landscape in Kenya
2. Conducting site visits among shortlisted bidders and advise on the shortlist to be used for the RFP stage. Developing a public private partnership framework for the incubator
3. Developing an indicative business plan (which will assist in refining the appropriate grant amount to be offered to the winning bidder)
4. Developing a Request for Proposals (RFP) to include objectives for the incubator facility, KPIs, milestones and payment structure (based on indicative cost estimates)

5. Participating in the evaluation team that will analyze the results of RFP stage and making a recommendation on the selection of the winning bidder

**Phase 2: February – March 2011** (Total, 10 days work)

1. Assisting the KICTB in drawing up a contract with the winning bidder
2. Developing a terms of reference for the incubator manager and provide support through its selection
3. Liaise between winning bidder and ICT Board to assist in the creation of the ICT Incubator implementation timetable and action plan

**Phase 3: April 2011 – November 2011** (Total, 10 days work)

1. Provide implementation support to KICTB and the winning bidder on the concept and business plan
2. Provide support to assess implementation and provide recommendations for improvements, removing bottlenecks
3. Assist KICTB and the winning bidder in developing partnerships and programs to better deliver on its objectives, including linkages with other KICTB activities.
4. Provide a final report summarizing main outcomes, challenges and recommendations.

**4. Specific Deliverables & Timelines**

The main expected deliverables and related deadlines that the consultant is expected to facilitate are as follows:

- |  |                              |
|--|------------------------------|
| 1. Conduct site visits and advise on shortlist   | 13-17 Dec 2010               |
| 2. Draft and issue RFP document                  | 3 Dec 2010 (deadline 24 Dec) |
| 3. RFP Evaluation complete                       | 15 January 2011              |
| 4. Draft TOR for incubator manager               | 15 January 2011              |
| 5. PPP Framework complete                        | 31 January 2011              |
| 6. Drafting sustainable Indicative Business Plan | 31 January 2011              |
| 7. Draft Contract                                | 15 February 2011             |
| 8. Contract negotiations complete                | 28 February 2011             |
| 9. Incubator manager in place                    | 15 March 2011                |

10. Interim assessment of implementation recommendations 30 June 2011  
11. Final report with evaluation and recommendations 30 Nov 2011

## **5. Qualifications**

The consultant should be:

- A recognized individual of repute with an established track record in the field of establishing and developing models for incubation
- Experience in conducting similar assignments in developing countries like Kenya
- Familiarity with the local incubation landscape would be an advantage
- Capable to prove previous experiences of linking up with the relevant partners identified above
- Able to show relevant experiences and expertise in the area of developing business plans and implementing incubation programs in emerging markets

In order to apply the consultant is expected to submit an up to date CV with a covering letter explaining:

- their understanding of the assignment and scope of work,
- a detailed description of their past experience in developing similar business plans for similar programs and document the successful implementations of the same,
- their experience working with government organizations,
- the value-added they would bring to this task.

## **6. Duration and Location**

The estimated timeline required for this assignment is 40 days of work spread over a period of one year.

The location / site of the consultancy shall be within the city of Nairobi.

### **To apply for the position:**

Please send a CV and covering letter to [jmukiri@ict.go.ke](mailto:jmukiri@ict.go.ke) no later than 19 November 2010