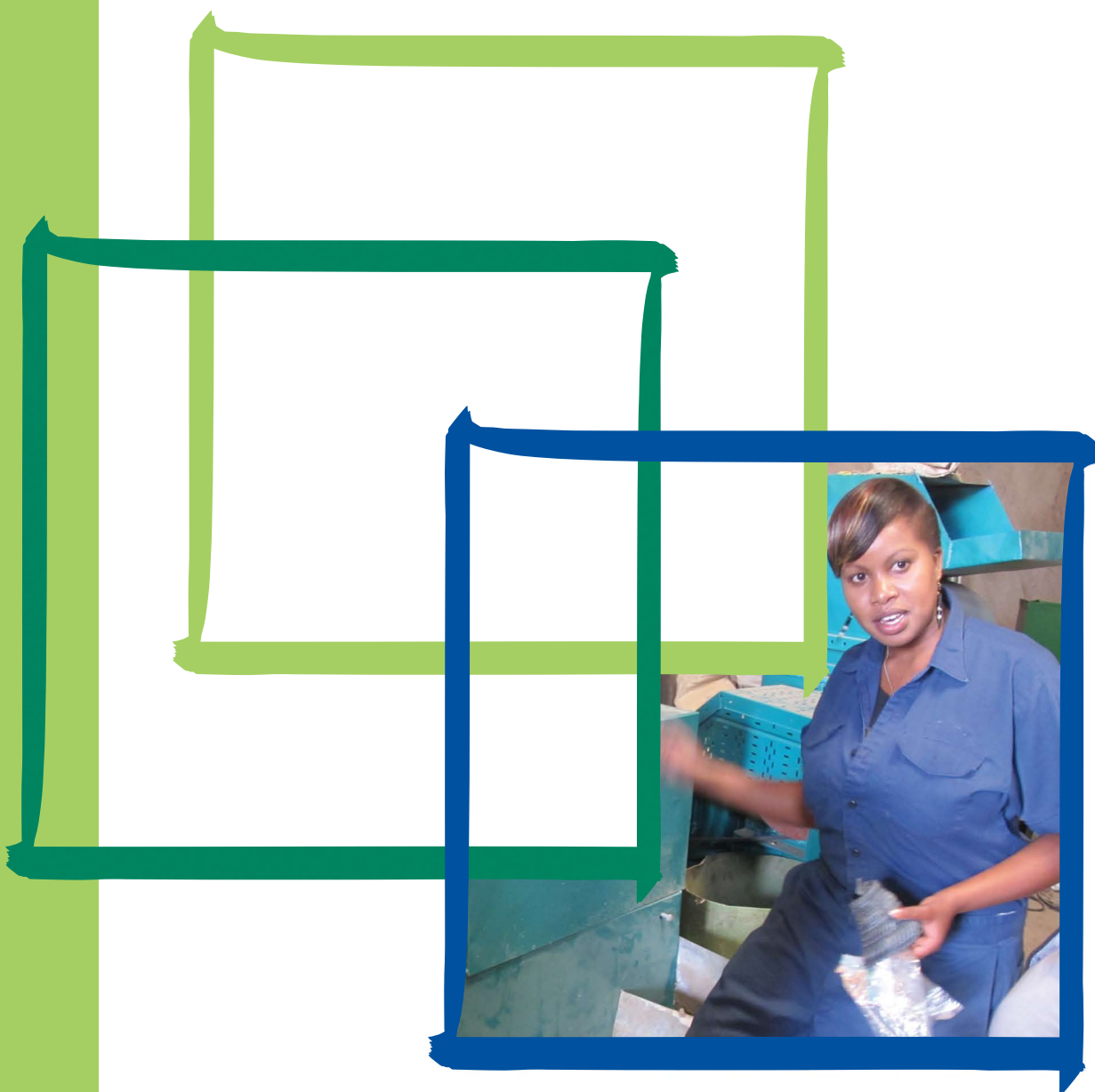


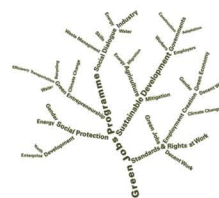


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# Promoting Green Entrepreneurship

First lessons from the Youth Entrepreneurship Facility  
in Kenya 2010-2011





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# Executive summary

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The Youth Entrepreneurship Facility (YEF) is partnership between the Africa Commission, the Youth Employment Network (YEN) and the International Labour Organization (ILO) running from 2010-2014 in Kenya, Uganda, and Tanzania. Through consultative processes during the inception phase of the project, key stakeholders in Kenya identified the promotion of green jobs and green entrepreneurship as one of its key priorities.

While the Government of Kenya and various development partners focus on the youth employment challenge supporting small enterprise development, few initiatives strategically single out green growth opportunities for youth. Few programmes harness the double dividend of innovative green markets for enterprise creation while simultaneously addressing the increasing negative impact of environmental degradation and climate change on the livelihoods of youth.

YEF in Kenya tries to fill this gap - basing its strategy on the assumption that new markets for green products, such as photovoltaic cell phone chargers or locally recycled water irons, and green services like eco tourism or carbon credit trading, can be sourced locally. These are untapped markets in comparison to markets for existing products/services such as rabbit farms or kerosene dealer, which have reached a point of market saturation. Given this, the enterprise and job creation potential for green businesses is expected to be higher than for traditional ones. Green business start-ups not only contribute to employment creation but also advance the region into a favourable competitive position in a future green economy while addressing the youth unemployment challenge.

This report outlines the initiatives of YEF in its First Phase, providing a guide for policy makers and practitioners suggesting possible steps to promote green entrepreneurship in the field. To address this, the report is structured as follows. First, it profiles YEF's activities to promote green entrepreneurship from 2010-2011. Second, it showcases specific achievements in terms of green entrepreneurship as a result of the activities and profiles some best practices in promoting green entrepreneurship. It concludes with first lessons learned and gives some recommendations for the second phase of the Youth Entrepreneurship Facility in 2012-2014.

The following major approaches and partnerships to promote green entrepreneurship were taken:

- Green business plan competition: Chase Bank Enablis ILO Business Launchpad
- Green entrepreneurship education in-school by a youth-focussed NGO: Junior Achievement
- Green grant competition for youth organizations: Youth-to-Youth Fund
- Start Your Green Business with Renewable Energy training: UNIDO & ILO
- Start Your Green Business training: YEDF & ILO partnership and the ILO SIYB Programme
- Green business mentoring course: Inoorero University & ILO

## Key highlights

- 5,284 entrepreneurs have been trained in business plan development together with exposure on how to green their businesses and on green business opportunities under the Chase Bank Enablis ILO Business Launchpad competition in 2010-2011. Out of the total 721 business plan entries over the two years, 81 entries or 11 per cent were in the Green & Ecological Business category.
- A total of 400 university students and 4,680 secondary school students have participated in the green entrepreneurship programme in partnership with Junior Achievement Kenya. Significantly, in 2011, a total of 31 Student Companies (42.46 per cent) out of a possible 73 companies had a green enterprise or were greening their enterprise.
- KCDF has made two calls for proposals. In 2010, 10 youth-led organizations won grants from the Youth-to-Youth Fund. Out of the 10 organizations, three entries focused on green approaches to youth entrepreneurship development. In 2011, six youth-led organizations won funding, three of those had a green focus.
- Under the YEF/UNIDO partnership 57 youth entrepreneurs have been trained in the Generate Your Business Idea (GYBI) and Start Your Business (SYB) programme while another 29 youth have received GYBI. This training will help the youth tap into opportunities arising from the UNIDO sponsored energy centers and start their own businesses productively using the renewable electricity provided.
- YEF has sponsored a green business mapping exercise to select green enterprises for support in four counties of Kenya. A total of 240 youth run green enterprises will benefit from SIYB training in 2012.
- YEF conducted a successful Training of Trainers (TOT) for the Youth Enterprise Development Fund's current business development service (BDS) providers. In total 15 BDS consultants were trained for a period of two weeks in May 2011.
- YEF has sponsored seven consultants to be trained on business mentorship at Inoorero University. These mentors will provide support to green business entrepreneurs through YEF support.
- YEF conducted seven TOTs with a total of 105 trainers qualifying to train on the SIYB programme.
- YEF has conducted Training of Entrepreneurs (TOEs) for 476 entrepreneurs who have been trained in the GYBI and SYB modules, in addition to being exposed to training on green business opportunities and on how to green their businesses.

## Lessons learned

- i. Cooperating with existing business associations to green their portfolio: Working with and through existing associations by greening their business portfolio proved to be very successful. The reason for success is that existing implementation structures can be used and strengthened upgrading them to include green business concepts. The outreach of established organizations is large, costs are low and credibility and uptake of members high.
- ii. Green entrepreneurship training at secondary school level: Exposing youth at secondary level to green entrepreneurship training to pave the way from school to work life has generated high interest. Sensitizing youth at the end of secondary school on green business opportunities seems to be the right age and moment to generate interest among youth to consider venturing into green entrepreneurship.
- iii. Green business plan competition and prizes: Creating a Green Business category with prizes was a successful motivator to elicit greater interest in green business and kick-start green ideas. Introducing green windows into existing business plan competitions and prizes as a green sub-category to existing business plan competition proved very successful.
- iv. Greening training materials: Training material with information on going green is scarce. However, schools and business organizations are keen to include new green curricula and training into their activities. There is an opportunity for YEF to do more in this area by developing and/or adapting easy to understand training materials to help people understand of the concept of green business.
- v. Green awareness: Awareness on green business options is low and the perception widespread that green only means tree planting, waste management and recycling. There are opportunities for YEF to increase awareness on greening and green sectors, carry out green business opportunity profiling, and make use of expos and exhibitions to showcase success stories and promote role models.
- vi. Green mentorship: Business plan competitions and cash prizes do not necessarily lead to successful green start-ups. This presents an opportunity to combine prizes and awards as well as entrepreneurship training with the green mentorship programme.
- vii. Green mapping: Mapping exercises were undertaken to identify organizations, programmes, and initiatives in environmental conservation. It was found that while there are green business ideas, a lack entrepreneurial skills hinders would-be entrepreneurs to turn their informal/small economic activity into a sustainable business. This leads to a proliferation of unsustainable short-term projects.
- viii. Green grants to youth organizations: While the Youth-to-Youth Fund generated a lot of interest in the form of short proposals; few of these presented innovative ideas in the area of green entrepreneurship skills, with most green entries being in the field of recycling and waste management. Including awareness raising on green initiatives prior to the submission deadline might increase innovation.
- ix. Green loan windows: No work has been undertaken to promote green loan windows although it is strongly felt that green start-ups need better access to finance notably for innovative products and services as no track record and experience for new start-ups exist.
- x. Policy for promotion of green enterprises: YEF participated in an inter-ministerial Green Economy workshop (UNEP) to promote green youth entrepreneurship but little has been achieved in terms of enabling policies which foster green entrepreneurship for youth. More work can to be done engaging with government and the relevant ministries to push for policy change to support green entrepreneurship development.





# Introduction

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The Youth Entrepreneurship Facility is a partnership between the Africa Commission, the Youth Employment Network (YEN), and the International Labour Organization (ILO) to enable young men and women to turn their energy and ideas into business opportunities contributing to the creation of decent work for young Africans, both as a means of self employment and job creation for others. The technical cooperation programme covers Kenya, Tanzania, and Uganda with initial funding for five years (2010-2014).

The initiative is built on a systemic approach to enterprise development based on six components aiming at i) fostering a culture of entrepreneurship among young people, ii) introducing entrepreneurship education in schools, iii) ensuring access of potential and existing to business development services, iv) enabling access to finance for young entrepreneurs, v) strengthening youth-led organizations through a youth challenge fund, and vi) promoting evidence based advocacy to better understand what works in youth entrepreneurship development.

In 2010 the Youth Entrepreneurship Facility formed a partnership with the ILO's Green Jobs Programme. The partnership was formed as a response to wishes from national and local stakeholders who, during initial consultations, agreed to focus the Facility's work on the promotion of green youth entrepreneurship. The ILO's Green Jobs Programme aims to enhance expertise in analysis, policy advice, and technical cooperation for the formulation and implementation of green jobs policies and measures that contribute to address environmental challenges while enhancing social and economic development.

This report seeks to achieve three objectives. First, the report starts with a comprehensive description of all of YEF's activities to promote green entrepreneurship from 2010-2011 (Phase I). Second, this report outlines key achievements in terms of green entrepreneurship as a result of the activities together with case studies on green entrepreneurs. Lastly, this study concludes with lessons learned and recommendations for Phase II of the Facility (2012-2014).

# Linking Decent Work for youth and Green Economy

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Youth account for 28 per cent of the population in Sub-Saharan Africa making it the youngest region in the world.<sup>1</sup> In Kenya, youth (defined as those between the ages of 15-30) number about 14 million, making up about 32 per cent of the overall population. While the country has experienced an economic growth rate of around 5 per cent over the last years. This has not, however, translated into the creation of employment opportunities, which can absorb the some 750,000 youth who enter the labour market annually. With a yearly absorption rate of the labour market hovering at approximately 25 per cent, the large majority of young people remain unemployed and underemployed. With this largest-ever youth cohort entering the labour market with few prospects, it has become even more urgent to invest in young people.

While the official youth unemployment rate is above 33 per cent, unofficial estimates puts the figure to around 70 per cent. With the population of unemployed youth, disparities in unemployment rates between primary and secondary school graduates, at 82 per cent, and university graduates, at 1.4 per cent, are evident.<sup>2</sup> Figures also show that more than 90 per cent of unemployed youth have had no additional job training to their formal schooling, providing a strong argument for investing in additional education for youth as well as supplementing technical and vocational trainings.<sup>3</sup>

In Kenya, unemployed youth find themselves in an economy highly dependent on natural resources sustaining major sectors such as tourism, fishery, and agriculture. Kenya is endowed with a myriad of natural resources. While these natural resources are highly vulnerable to climatic change and environmental degradation, there are opportunities to harness these in an environmentally sustainable manner. Geothermal, hydro, wind, and solar could be exploited with renewable energy technology leapfrogging the country into a leader in clean electricity, providing clean energy to the 80 per cent of the population which currently have no access. With a worldwide growth in eco tourism and organic agriculture, green manufacturing and green services, Kenya has the potential to make a green economy the driver of its economic growth.

But youth providing the bulk of labour supply to support a green economy will only materialize through strategic investments in and productive deployment of youth. This requires investing in young people through education and skills training for green and decent jobs. Supporting green enterprise development and social protection will also serve to stimulate innovation and risk-taking in a green economy.

The Youth Entrepreneurship Facility's programme in Kenya is linking the social development challenge to the environmental challenge by considering youth and natural resources as assets rather than challenges. It aims at realizing the potential of Africa's youth through improving their employment and income opportunities through green entrepreneurship crucial for poverty reduction, economic growth, social inclusion, and environmental sustainability. The end program beneficiaries are disadvantaged youth, those that already are in the labour market running a business but lack appropriate business development services and financial assistance to improve or expand their business, youth that are engaged in survivalist economic activities and need support to upgrade from informal activities to running a formal business, and youth that lack employment opportunities and are marginalised in the economy in rural and urban areas in Kenya.

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1 Marito Garcia and Jean Fares (eds), Youth in Africa's Labour Market, World Bank, Washington DC 2008

2 MOYAS 2008, Employment Marshall Plan, Strategic Plan and NYP 2006-2011

3 Compare also The World Bank, Africa Development Indicators 2008/2009, Youth and Employment in Africa, The Potential, the Problem, the Promise, Washington DC 2009

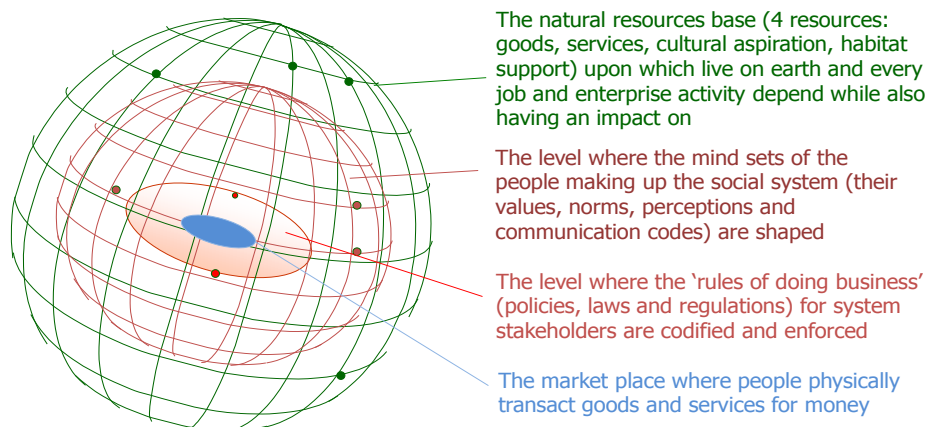
# Systemic approach to green entrepreneurship promotion

## The theoretical concept

The Youth Entrepreneurship Facility takes a systemic approach to promote green youth entrepreneurship. Four interrelated system levels are distinguished. The natural system provides goods (wood) and services (sun), cultural aspirations (landscape beauty) and the habitat (the system to function) to enterprises. The society at large provides the values and norms in which the enterprises operate. The policy system provides the rules, regulations, and support structures to enterprises. And the market system eventually enables enterprises to produce, interact, and exchange goods, services and money. Youth and enterprises are therefore placed at the center being the key actors shaping the system as well as being impacted by the system (Figure 1).

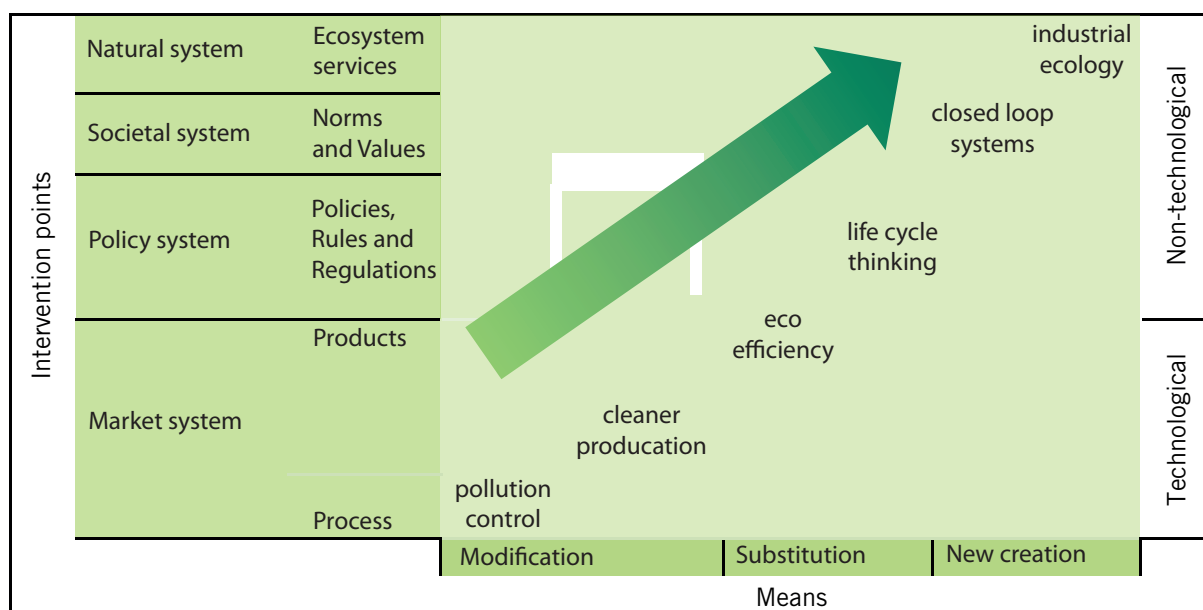
To promote green entrepreneurship it is important to understand that each system level can have a catalyzing as well as a hindering influence. The availability of natural beauty and abundant sun, wind and water flow might stimulate the creation of nature tourism and renewable energy enterprises. On the contrary, degraded soil, deforestation, and polluted water might hinder productive agriculture and fishery, timber and non-timber forest harvesting. Societies that place a high cultural value in protecting the natural environment are likely to drive demand for green services and products. On the contrary, societies which do not care much about the natural environment, might not create rules and regulations for an enabling environment for green enterprises. At the enterprise level a lack of skills in green technologies might lead to suboptimal supply of green products and services.

Figure 1: A people-centred market systems development framework for private sector development, analysing interaction between stakeholders along four inter-linked levels



Promoting green entrepreneurship involves catalyzing beneficial conditions at each system level. For this to be achieved the theoretical construct of eco-innovation is used. It starts from technical innovation at the enterprise level in the field of pollution control, cleaner production, and resource efficiency but aims at increasingly non-technical innovation at the societal level in the field of life cycle thinking, closed loop systems, and industrial ecology. An entrepreneur starting a plastic recycling business to produce eco-posts might be classified in the field of technological innovation. Non-technologic innovation for example is an entrepreneur who brings 20 fully charged solar lanterns to households every evening and collects them in next morning, recharging them through the course of the day before distributing them to clients again. The entrepreneur may charge something like 20 KES for the service, replacing the household need to spend money on kerosene for lamps. Such innovation - a product service system (PSS) innovation – as changing the incentive structure often leads to high economic and environmental benefits (Figure 2).

Figure 2: Green entrepreneurship promotion through eco-innovation



adapted from OECD 2008: Eco-innovation in industry

# Activities to promote green entrepreneurship

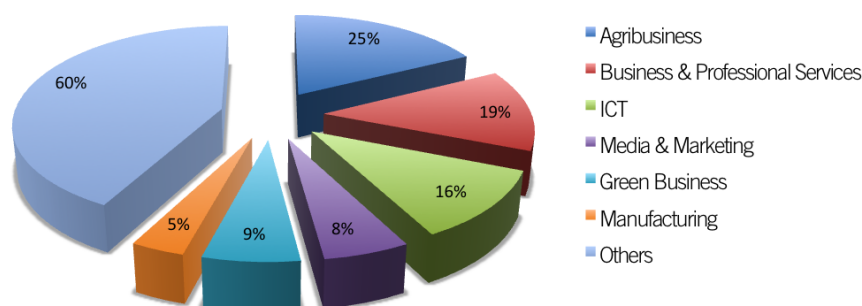
## 1. Business Plan Competition: Chase Bank Enablis ILO Launchpad

ILO-YEF entered into a sponsorship agreement with Enablis Entrepreneurial Network East Africa to support a business plan competition and introduce a category focussing on green business in 2010. Now, the Chase Bank Enablis ILO Business Launchpad is Kenya's largest business competition for entrepreneurs. The Launchpad is also supported by Chase Bank Ltd, Inoorero University, Safaricom Foundation, ICT Board, Mobikash, and The Business Daily. The competition creates opportunities for people with a business idea or existing business who find it difficult to secure conventional commercial funding or to access start-up or expansion capital. Through the course of the competition all entries are evaluated and scored on the basis of their business viability and suitability for funding according to the criteria of the competition's funding partners.

In 2010, Enablis and YEF launched the Green & Ecological Business category in the 2010 competition. This category was established to identify businesses that contribute significantly to environmental sustainability and ecological best practice; businesses that have developed new sustainable technologies that can address Kenyan energy, water and pollution needs and products and services that are designed to save, conserve, or reduce consumption of finite natural resources.

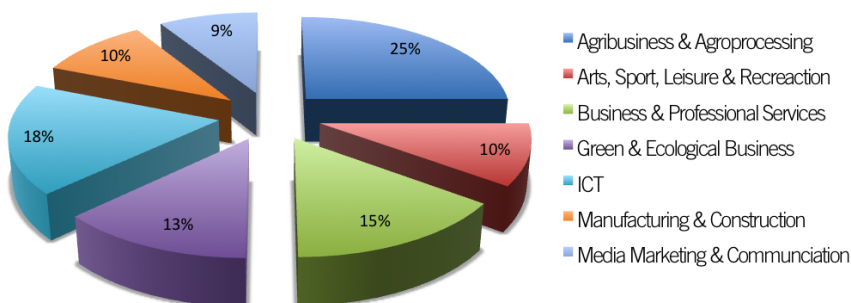
The share of businesses entering in the Green and Ecological Business category was impressive during the first year of inclusion of the green business category. In 2010, 29 out of a total 316 business plans were in the Green and Ecological Business category, accounting for nine per cent of the entries.

Figure 1: Business Plans Entries by Sector in 2010



In 2011, a total of 405 entries were received out of which 52 entries were in the Green & Ecological Business category, representing 13 per cent of the total entries. This marked improvement from the previous year can be attributed to greater awareness and training on green business opportunities.

Figure 2: Business Plans Entries by Sector in 2011



In 2010 YEF provided USD 20,000 in support of the competition. The funding was increased to USD 40,000 in the 2011 competition. According to Betty Kariuki, the Partnership Manager at Enablis, ILO/YEF coming on board had helped increase the numbers of applicants and the competition is now able to reach more areas nationally.

#### YEF sponsored prizes in the Business Launchpad

##### Year 2010

- ◇ YEF sponsored the winner's award with USD 5,000 in cash prizes. This was divided among the winner, and first and second runners up in the Green and Ecological Business category
- ◇ YEF provided USD 9,000 worth of business development services support to the three winners under the Green and Ecological Business category

##### Year 2011

- ◇ YEF sponsored the winner's awards for USD 15,000. The winners under the Green and Ecological Business, and the ICT categories together with the winner of the Youngest Entrepreneur award received USD 5,000

The introduction of the Green & Ecological Business category under the ILO-Enablis partnership included the adoption of a green scorecard for the judging of the entries as well as a green business awareness raising and training component in the mobilization phase of the competition. The judging tool (score sheet) used to evaluate each entry was also reviewed to include business plans with either objective of greening the process of any business or to produce a green the product or service.

ILO/YEF also seconded industry experts together with its staff to participate in the judging process. The launch and mobilization phase of the competition included green awareness sessions and training. Through these members of youth groups, entrepreneurs, and potential entrepreneurs were exposed to the green business concepts. In 2010, 2,533 participants participated in the trainings across the country while 2,751 participants were trained in the 2012 mobilization. In addition to specific training on green business, the top 100 finalists in each year had a chance to interact with representatives of the ILO and gain further awareness on green business. During these business plan training sessions participants learned basic greening concepts including how to green their existing businesses and to identify green business opportunities.

## Spotlight on the 2010 Winner: Green & Ecological Business

Lorna Rutto - Director, Eco Post Recycling Company  
Winner - Best Overall Business Plan  
Winner - Green and Ecological Category

Lorna Rutto created the Eco-Post Recycling Company in May 2010 and won first prize for the best overall business plan. The company recycles plastic waste from dump sites and converts it into durable and weather resistant decking boards and fencing posts. Besides reducing the quantity of plastic waste, Lorna's firm offers an alternative building material to timber. Lorna Rutto said that for every 150 posts Eco-Post produces, they save six mature cedar trees. "To date we have sold 10,000 posts therefore saving up to 250 HA of mature forest," said Ms. Rutto. Eco-Post produces an average of 40-60 posts per day with an estimated annual turnover of KES 6 million and KES 1.5 million in profit. Ms. Rutto projects that by the end of the second and third year, the firm will have a turnover of KES 12 million and 4.5 million in profits, and KES 20 million in turnover and KES 7 million in profits, respectively.



**Increase in business:** "All my customers have come from media exposure from winning the green business category in the Business Launchpad of 2010. I cannot meet the demand for the plastic poles," said Ms. Rutto.

**Coaching and mentorship:** Ms. Rutto has benefitted from free coaching, BDS support, and mentorship under the sponsorship of ILO/YEF. She said she is now better able to manage her business.

**Prize money:** Lorna invested the prize money in her business. She used the USD 3,000 to expand her production capacity, increasing from one to two production shifts daily.

**Networks and contacts:** During her interactions with ILO/YEF staff, Ms. Rutto has gained access to a wide network of potential customers and investors. She is currently in discussion with some Danish investors who are appraising her business for possible financial support.



Photos: (1) Young mothers employed to sort sift through the plastic on arrival at the production facility, (2) Plastic material is fed into a moulding machine, (3) The moulding machine, (4) Lorna Rutto explains the production process to YEF Programme Coordinator in Kenya, (5) The final product, plastic poles are an alternative to wooden fence posts



## 2. Green business promotion in schools: YEF & Junior Achievement

The Youth Entrepreneurship Facility (YEF) started partnering with Junior Achievement Kenya in 2010 to promote green entrepreneurship by introducing secondary school students to green business and entrepreneurship.

Junior Achievement launched its operations in Kenya in 1999. The main purpose of the organization is to prepare and inspire young people to succeed in the global economy through hands-on experiential programs that focus on the key pillars of entrepreneurship, financial literacy and work readiness.

The JA/ILO YEF partnership consists of the following activities: (i) consultative stakeholder forums were held to agree and gain support to include green business education into the JA Company Program, (ii) a green business manual was developed and introduced as part of the entrepreneurship curriculum, (iii) a 'Green Challenge' was introduced in the 'Innovation Boot Camp' at University and, (iv) a green winners category was introduced into the JA Company Program competition and expo.

Through a consultative stakeholder process with students and members, JA in partnership with YEF agreed to initiate the Green Enterprise Programme. The main pillar of the program is a user-friendly learning manual on green entrepreneurship which was developed by YEF and JA. The materials were tailor-made for the programme with appropriate examples for classroom presentations. The manual is accessible for JA volunteers and students. It is aimed at promoting green citizenship and preparing future business leaders to be aware of the inputs and production processes of their businesses and the effect on the environment in which the business operates. The green entrepreneurship curriculum is delivered through JA's core activity the JA Company Programme. With the support and guidance of volunteer consultants from the local business community, in a 15-week course, the JA Company Programme provides basic business education for high school students. The green entrepreneurship manual became integral part of the education package since the ILO partnership. In 2011, JA Kenya rolled out the Green Entrepreneurship Programme in 107 secondary schools reaching 4,680 secondary school students and 12 universities across the country reaching a total of 400 university students.

During the 15-week course students are exposed to theoretical concepts and learn how to practically develop a business plan, start their own real business, manage and dissolve it. Each term the JA Company Programme establishes a competition between the different student run businesses. The competition is designed to create a showcase for Junior Achievement and the high school students who benefit from the JA Company Programme.

### Focus: JA Green Entrepreneurship Programme



The JA Green Entrepreneurship Programme was also rolled out in the Aga Khan High School in Mombasa. Students set up a business of recycling toilet paper rolls turning them into useful items. Toilet paper holders, tooth brush holders and pen holders among other household items were successfully sold.

Aga Khan High School students demonstrating the use of green rolls to judges at the Company Programme competition and expo.

This annual celebration of success allows young people to demonstrate their business acumen and spirit of entrepreneurship in a competitive environment which engages business, education and policy leaders. For a team to win this award, it is not sufficient to just to run a financially successful JA Company or an exciting product/service. Team members must also demonstrate an understanding of how and why the company performed as it did. Judges look for evidence of innovation and application of new ideas in all aspects of a company's operations. For this competition JA and ILO developed a green scorecard to judge the green orientation of the company.

In 2011 a total of 31 student companies (42.46%) out of a possible 73 companies had a green enterprise or were greening their enterprise. The national winner of the Company Program also won the Green Enterprise Award: The D-Smart Company from Dagoretti Boys High School which was featured in *The Daily Newspaper* on July 9, 2011. The company produced a hot water iron box that was environmentally friendly and has potential of meeting needs of Kenyans in areas with no electricity and at an affordable cost. This team earned themselves a chance to represent Kenya in the Africa competitions that were held in Accra, Ghana in October 2011.

The University Innovation Boot Camp is a program that targets university students. It is designed to instruct and enrich students in an experiential atmosphere while preparing them for a lifetime of leadership and responsibility in the global world. Through a structured 2 day programme, students examine business and work place concepts with corporate players by sharing and analysing practical daily life concepts and putting them immediately to work. The university students who attended the Boot Camp in 2011 were made aware of green entrepreneurship and challenged to come up with green ideas that were submitted to the JA secretariat. The Green Challenge was tailored to explore the potential of young people to enable them be able to apply skills and ingenuity to solve environmental challenges that we currently face. Developing the Green Challenge concept was an effective way to get youth involved in coming up with innovative and sustainable environmental solutions to help save societies that are in distress. During the boot camp, 107 volunteer university students were trained and involved in delivering of the green entrepreneurship content.

“The Green Challenge was a great add-on to what JA Kenya used to offer previously that focused only on work readiness and financial literacy,” said John Wali, Executive Director for JA Kenya Programme. “The green challenge gave a refreshing outlook and relevance to our programs since green enterprise is the next big thing.”

Figure 3: Summary of the JA Company Programme implementation per Region

Region	# of Schools that received Green Entrepreneurship Education	# of Universities Per Region	#. of Volunteers Per Region	# of Schools that Operated Green Enterprises	# of Schools in the Company Program Trade Fair / Expo Competitions
Nairobi	50	8	50	15	34
Rift Valley	27	2	27	8	17
Western	14	1	14	4	9
Nyanza	16	1	16	4	13
Total	107	12	107	31	73

## Spotlight on Dagoretti High School D-Smart Company

### Green Youth Enterprise's hot water iron earns students top award

Under the Junior Achievement Programme which supports entrepreneurship training in schools 11 teenagers had formed a student-run enterprise that would earn them a good profit as well as make their company competitive. They were trained with ILO's 'Start Your Green Business' tools under the Green Jobs and Youth Entrepreneurship Facility.

The teenagers learned about business opportunities in energy and material efficient production as well as in recycling. Sensitized about higher market potential for new innovative green products and services, they settled on creating an iron that relies on hot water to smooth unsightly creases from clothes and promote neatness in school.



For that, D-Smart - their company - was declared the best student-run enterprise in Kenya. While announcing this year's winners, the judges said they were impressed by the innovativeness of the iron, which had the potential to go large-scale and be sold to Kenyans who have no access to electricity.

"A lot of areas in Kenya have no electricity and this unique and environmental-friendly product can meet the needs of Kenyans in those areas at an affordable cost," said Sanda Ojiambo, the Safaricom Head of Corporate Responsibility and a judge at the event.

Their ironing device, which uses hot water, is quite popular with fellow students. Before the innovation, students used unsophisticated means to press their clothes, but they were not as effective. "We 'ironed' our clothes by putting them between two mattresses and lying on them overnight. Now, thanks to the hot water iron, and for only Sh15, students can wear well-pressed shirts to any function and stand out from the crowd.

The iron is made of simple, easily accessible and recycled materials. A galvanised iron hanger makes the basic frame onto which black canvas paper for the base, aluminium foil, cotton wool for insulation and plastic lamination paper are modelled. The school provides hot water to make hot beverage in the evenings. It is this water that D-Smart use to provide ironing services to the student community which is environmental friendly. When D-Smart was liquidated from an initial capital of Sh7,000, the enterprise returned a profit of Sh25,500. In addition to winning the company of the year title, they also won the most innovative product award.



Joseph Muchuha, a form three student at Dagoretti High School, shows off his innovative a hot water iron which uses hot water instead of electricity or charcoal.

All photos - Wim Tuitert

This article appeared in The Daily Nation on July 8, 2011. The Daily Nation is a leading paper in East and Central Africa both in editorial, circulation and readership with a circulation of over 200,000.

### 3. Green grants for youth organizations: YEF & KCDF

The Youth Entrepreneurship Facility's Youth-to-Youth (Y2Y) Fund is a competitive grant scheme that supports small-scale youth entrepreneurship development projects implemented by youth-led organizations. The Fund offers local youth-led organizations an opportunity to actively participate in the development of youth entrepreneurship in their communities. The Y2Y Fund component in Kenya is managed by the Kenya Community Development Foundation (KCDF).

The Y2Y Fund is a mechanism to identify, test, and promote innovative entrepreneurship solutions to youth employment challenges. This goal is accomplished through a competitive grant scheme for youth-led organizations to propose innovative project ideas on how to create entrepreneurship and business opportunities for their peers. The organizations with the most innovative project ideas receive a grant and complementary capacity building to help them implement their projects and test the viability of their ideas.

The direct beneficiaries of the grant funding are officially registered, not-for-profit youth-led organizations (including NGOs, CBOs, business associations, social enterprises etc.) in Kenya. The intended end beneficiaries are young men and women in Kenya who are currently entrepreneurs or have the potential to become entrepreneurs.

In Kenya a window for green project proposals was introduced. In the First Call for Proposals, 10 youth-led organizations benefited from a total of KES 18, 482,647 in grants. Out of the total 10 organizations, three entries identified green solutions to youth entrepreneurship development. In the Second Call for Proposals, six youth-led organizations were selected for funding, out of which three of the six organizations presented green entrepreneurship solutions.

#### Focus: Youth for Life Kenya - 2011 Youth-to-Youth Fund Grantee



Youth for Life Directors Raphael Njagi and Peter Mulinge displaying some of the products produced using plastic waste under the Green Basket Initiative

Youth for Life-Kenya is a youth-led community based organization (CBO) in Athi River, Machakos County.

Youth for Life won a Youth-to-Youth Fund grant in 2011 for their Green Baskets Initiative. This project contributes to a cleaner environment through re-use and recycling of plastic bags. The bags are collected, cleaned and used in the making of high quality "green baskets." The finished products will be marketed and sold both locally and internationally. The project creates jobs and income for youth and

especially young mothers who, in addition to technical training, receive entrepreneurship training which helps them start their own businesses.

With the receipt of the grant from the Y2Y Fund, fifty (50) young people had a chance to be part in the Green Baskets Initiative in the initial stage. Within two years, 300 youth are expected to benefit from the project said Mr. Muline of Youth for Life Kenya. As part of the Green Baskets Initiative, Youth for Life is engaged in environmental conservation efforts including planting of trees within Athi River and its surroundings, environmental clean-up, and providing environmental education using theatre.

## Youth-to-Youth Fund: Grant Cycle and Process

KCDF has made two Calls for Proposals, one in 2010 and one in 2011. All proposals go through several phases.

- i. Screening for non-eligible applications
- ii. Selection of the most innovative project concepts (the key entrepreneurship development solution)
- iii. Site visits to verify the organizations of the short-listed projects
- iv. Training and technical assistance to short-listed applicants to strengthen the design and submit full proposals
- v. Selection of the finalists based on the full proposals
- vi. Training for the finalists on organizational and project management, and communications and marketing
- vii. Selection of the final grantees

**Size of the grant:** The grants are between USD 5,000 and 50,000 over a maximum 12-month period. Applicants are requested to bring in an obligatory own contribution of 25 per cent to which the requested grant amount will be added. The grantees are requested to contribute part of the grant awards to capacity building support.

**Eligibility of applicants:** Eligible applicants are legally registered, non-governmental, not for profit youth-led organizations in Kenya. Preference is given to those having partnerships/alliances with other organizations, such as private enterprises, community groups, and government agencies.

### Main selection criteria:

- ◇ Innovation – for example, uniqueness of the solution in a particular region of Kenya, new delivery method, new product, collaboration between several youth led economic activities, sectors of interest, new technologies or alliances
- ◇ Relevance – the extent to which the project contributes to development of entrepreneurship and business opportunities for young people, and the number of businesses and jobs created
- ◇ Replicability – the extent to which the project can be replicated elsewhere or scaled up
- ◇ Inclusiveness – Promotion of gender equity ensures an equal economic inclusion of both men and women

## 4. Entrepreneurship training aimed at the productive use of renewable energy: UNIDO & ILO

The Youth Entrepreneurship Facility began a partnership with the United Nations Industrial Development Organization (UNIDO) to provide training on business skills for entrepreneurs based on the ILO's business management programme Start and Improve Your Business. The target group for training are young people in communities where UNIDO has set up renewable energy centers as a part of its Lighting Up Kenya programme. The centers are run by the communities to generate electricity from renewable energy sources such as micro hydro, biogas, wind, solar, and straight vegetable oil (SVO) fed engine generators.

The technical installations of 12 Renewable Energy Centers has been successful. However, the overall objective of fostering economic development, income generation, and improved living standards proves to be more difficult to achieve. In the short and medium term there is no automatic linkage between the energy access and increased economic activity, so UNIDO promotes income-generating activities within the centers. These activities currently rely on UNIDO's support without private sector involvement. For the centers to become sustainable private sector actors must take the lead. To stimulate the productive use of renewable electricity by the community and private sector involvement, young people in the communities are able to access business management training with a focus on how to start a green business.

Youth in selected towns of Sagana, Mombasa and Baringo were trained on the Generate Your Business Idea (GYBI) and the Start Your Business (SYB) modules to help them come up with viable business ideas based on productive processes that would draw their energy requirements from the energy centers.

### Key achievements under the UNIDO/ILO partnership

- ◇ So far 25 youth entrepreneurs have received GYBI and SYB training at Sagana town
- ◇ Another 32 youth have received GYBI and SYB training in Mombasa, while 29 youth have received GYBI training in Baringo. Youth in these three towns have also set up investment clubs and they have also benefitted from financial education training sponsored by the Equity Bank of Kenya Limited for period of eight weeks per group. The energy centers in Sagana, Mombasa and Baringo are under now construction and they are set to produce an average of 35 KWH.

## 5. Green entrepreneurship training: YEDF & ILO

The Youth Entrepreneurship Facility began partnering with the Youth Enterprise Development Fund (YEDF) in 2011. YEDF was established by the Kenyan government with the aim of reducing unemployment among the youth who account for over 61 per cent of the unemployed in the country. The fund provides loans to existing micro-finance institutions (MFIs), registered non-governmental organizations (NGOs) involved in micro financing, and savings and credit co-operative organizations (SACCOs) for on-lending to youth enterprises. The fund was also established to facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises. The fund targets initiatives which benefit young people within the age bracket of 18 to 35 years who number approximately 13 million in Kenya.

In 2011, YEF entered collaboration with the Youth Enterprise Development Fund to initially support green business and green business ideas. This partnership is developing a network of business development service providers equipped with the ILO's signature business tool, the Start and Improve Your Business (SIYB) that shall in turn support hundreds of Youth enterprises in the green sector.

### Key activities under YEDF&ILO partnership

#### Stakeholder workshop

◇ A planning and stakeholder workshop was held in May 2011 in Nanyuki between YEF and YEDF to discuss proposed activities and map out current stakeholders and actors in youth entrepreneurship in the four pilot districts (Busia, Kitui, Kilifi and Laikipia). The workshop led to the profiling of economic opportunities and enterprises in the green sector and pre-identified areas on which the YEF/YEDF collaboration will concentrate its efforts on.

#### Training of trainers

◇ YEF conducted a successful training of trainers for YEDF BDS providers. In total 15 BDS consultants were trained for a period of two weeks in June 2011. By expanding the network of certified trainers of the SIYB program, YEF seeks to ensure that as many emerging young entrepreneurs as possible get access to tailor-made business improvement training. The successful participants will be expected to conduct a training of entrepreneurs (TOE) that will lead to their certification as qualified SIYB trainers.

## 6. Green entrepreneurship training: ILO SIYB programme

The ILO's Start and Improve Your Business (SIYB) programme teaches practical business management skills for emerging and existing micro- and small-scale entrepreneurs to start and grow their businesses. SIYB aims to increase the viability of small and medium enterprises through sound management principles suitable for the environment of developing countries. SIYB is comprised of three packages: Generate Your Business (GYBI), Start Your Business (SYB), and Improve Your Business (IYB).

The SYB manual was reviewed to introduce the concept of green entrepreneurship. In the manual potential entrepreneurs are taken through the process of starting two green businesses following a case study. During the period 2010-2011, the Youth Entrepreneurship Facility carried out various trainings and activities to promote green entrepreneurship under the SIYB business management programme.

### Key activities to promote green business in the SIYB programme

- ◇ YEF has completed a mapping of green businesses in four counties of Kenya including Kilifi, Laikipia, Busia and Kitui with an aim of identifying key stakeholders and training needs for green enterprises.
- ◇ In partnership with the Youth Enterprise Development Fund, YEF plans to train 2000 green entrepreneurs on the SIYB training program in the year 2012.
- ◇ YEF has carried out training for entrepreneurs (TOEs) with 476 entrepreneurs benefiting from the GYBI and SYB training in 2010-2011. These TOEs included green training on how to identify green business opportunities.
- ◇ YEF has also carried out seven training of trainers (TOTs) workshops in 2010-2011 with a total of 105 trainers qualifying in the SIYB training program. These TOTs included green content on: how to identify green business opportunities and how to green a business.



## 7. Green mentorship: ILO & Inoorero University mentorship course

The Youth Entrepreneurship Facility has partnered with Inoorero University to support their post graduate programme in business mentorship to support MSME development. This course was developed as a response to the many challenges facing the MSME sector of Kenya and East Africa and it seeks to offer practical business advice and solutions to MSMEs.

YEF has worked with Inoorero University to develop introduce a green business curriculum for the post-graduate course. YEF has sponsored seven ILO consultants for this training program with the objective to specialize mentors in green business. It is anticipated that these mentors will play a big role in mentoring green business entrepreneurs in the country. All trainers go through a training unit of green entrepreneurship, how to green existing businesses, and how to identify green business opportunities in Kenya.

YEF has also been instrumental in facilitating the establishment of the Professional Business Mentors Network (PBM-Network), which will coordinate mentorship activities in Kenya.

### Focus: Green business mentorship programme - Peter Nduati, Africa Turnaround Limited



Peter Nduati in his Nairobi office

In 2011, ILO/YEF sponsored seven consultants to benefit from training on business mentorship at the Inoorero University. One the sponsored participants was Peter Nduati the CEO of Africa Turnaround Limited.

Mr. Nduati said that the mentorship training has provided him with an opportunity to do mentoring in a structured way through “tried and tested tools”. According to him, the program came at an opportune time as his business was in a growth phase and would benefit from his newly acquired mentorship skills. Over the past four years Mr. Nduati has been working with youths, youth organizations and other bodies involved in youth development to provide personal financial education and entrepreneurial skills. He sees his mentorship skills fitting very well in his wider plan to mentor youths to “identify, start, and grow their own businesses especially in new emerging frontiers in green and renewable energy business.”

# First lessons and recommendations

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This review has highlighted some approaches to promote green entrepreneurship. It aimed to give some practical examples on how to turn the theoretical concept of Green Jobs and Green Entrepreneurship into reality on the ground. Assessing the activities and achievements first lessons can be learned and some recommendations made for the second phase of the YEF Green Jobs Programme to run from 2012-2014.

- **Cooperation with existing business organizations:** The cooperation with existing business organizations such as Enablis and Junior Achievement proved to be very successful. Using training and promotion structures is an effective way to tap into networks, social capital, and trust.

**Recommendation:** It is recommended to scale up existing cooperation and venture into new cooperations notably with micro finance institutions such as Kenya Women Finance Trust. Replicating successful models in Asia which combine micro finance and business development in the field of renewable energy holds the promise of massive job creation.

- **Green entrepreneurship training at secondary school level:** Exposing youth at secondary level to green entrepreneurship training as a means to help them transition from school to work life captured high interest. It seems to be the right age and moment to generate interest of youth to consider venturing into green entrepreneurship

**Recommendation:** YEF could strengthen youth training in green entrepreneurship at the end of their school term. A specific and practical resource guide on green business opportunities could leverage youth research for innovative ideas.

- **Prizes for Business plan competitions:** Prizes, cash or BDS packages, emerged as a great motivator to elicit participation across the board from the Chase Bank Enablis ILO Business Launchpad and the Company Programme run by JA Kenya

**Recommendation:** It is recommended YEF continues to sponsor prizes to attract more people to transition to or invest in green business. YEF could also explore introducing green business challenge competition targeted at enterprises in green business together with introduction of a green innovation challenge prize for the most innovative idea.

- **Green Awareness:** There appears to be a correlation between the depth of communication and awareness campaigns and number of entries in the green and ecological category in the Chase Bank Enablis ILO Business Launchpad.

**Recommendation:** It is desirable to further enhance awareness and education of youth on green business opportunities. YEF should consider green business opportunity profiling combined with showcasing success cases. This is because youth are often not aware of green opportunities. YEF should consider organizing expos and exhibitions for green entrepreneurs to display their products and services. This would to increase their markets and provide a valuable opportunity for others to learn. A 'green trade fair – big business meet small business' could be organized bringing together large green enterprises, small start ups and would-be entrepreneurs.

- **Green Mapping Exercise:** An important strategy under the YEDF/ILO partnership was the mapping exercise to establish green businesses requiring support in four districts.

**Recommendation:** It is recommended that this mapping exercise be expanded to cover the balance of 43 counties to unravel training needs of green business entrepreneurs countrywide and provide a basis for targeted training interventions based on SIYB training.

- **Mentorship Program:** Discussions with YEF partners reveal an apparent loss of focus for many youth entrepreneurs even after bagging awards in business plan competitions.

**Recommendation:** YEF could consider including a mentorship component in the support for all award winners. This would help entrepreneurs to develop greater focus to be able to take their businesses to the next level of growth

- **Greening Training Materials:** The introduction of green entrepreneurship manuals and materials under the JA/YEF partnership was instrumental in generating interest in green business and assisting students to conceptualize the concept of green business.

**Recommendation:** In a similar way, the business training under the Chase Bank Enablis Business Launchpad could be enhanced by providing simple, easy to understand, and relevant manuals/materials with appropriate examples of what green business is all about. Most entrepreneurs seem to only present businesses dealing in plastic recycling and briquette making. This is evidence of not having conceptualized fully the concept of green business. They could therefore benefit from more concrete examples the scope of green business.

- **Green Business network and platform:** YEF and YEDF began collaborating in 2011 to develop a network of business service providers equipped with the ILO's flagship business management tool, the SIYB programme. This partnership is unique in the sense that YEDF is a key institution dealing in youth entrepreneurship and is identified as one of the anchor projects to drive Kenya's Vision 2030 strategy.

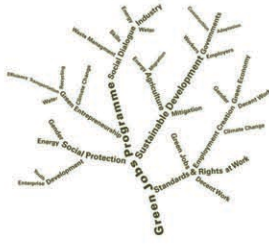
**Recommendation:** It is recommended that a green business network and/or platform is established. This can be achieved jointly through the YEDF/ILO partnership. The platform can be used to develop new green business content in the SIYB programme and increase the coverage of training on the green SIYB. Through the YEDF/YEF cooperation new products especially financial products could be developed targeting green business entrepreneurs.

- **Creating an enabling policy environment for green enterprise development:** Little has been undertaken on the policy and governmental level in terms of enabling policies which foster green entrepreneurship for youth.

**Recommendation:** YEF could engage more with government and ministries as well as partner with development organizations notably UNEP. Developing an action plan toward development of a joint strategy to identify, develop, and advocate for policies which enable green entrepreneurship growth. A possible entry point lies partnering with UNEP's advisory service, which provides one of many entry points to push for policy change to support green entrepreneurship development.







# Promoting Green Entrepreneurship

## First lessons from the Youth Entrepreneurship Facility in Kenya 2010-2011

This report seeks to achieve three objectives. First, the report starts with a comprehensive description of all of YEF's activities to promote green entrepreneurship from 2010-2011 (Phase I). Second, this report outlines key achievements in terms of green entrepreneurship as a result of the activities together with case studies on green entrepreneurs. Lastly, this study concludes with lessons learned and recommendations for Phase II of the Facility (2012-2014).



International Labour Organization  
Country office for Tanzania, Kenya,  
Uganda, and Rwanda