



# Kenya BDS

Kenya Business Development Services Program

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## Program Briefing

<b>Name of Activity</b>	Kenya Business Development Services Program (Kenya BDS)
<b>Donor</b>	United States Agency for International Development
<b>Implementer</b>	Deloitte Emerging Markets
<b>Period of Performance</b>	5 years
<b>Value of Contract</b>	US\$5 million
<b>Program Objective</b>	“To increase growth and income among rural micro- and small-enterprises through increased access to business services.” <ol style="list-style-type: none"><li>1. Access to Markets</li><li>2. Access to Skill to Compete</li></ol>

### Program Description

The Kenya Business Development Services Program (Kenya BDS) is a 5-year micro- and small enterprise (MSE) development program funded by the United States Agency for International Development (USAID). The objective of Kenya BDS is to increase access to commercial BDS among rural MSEs within subsectors of high growth potential.

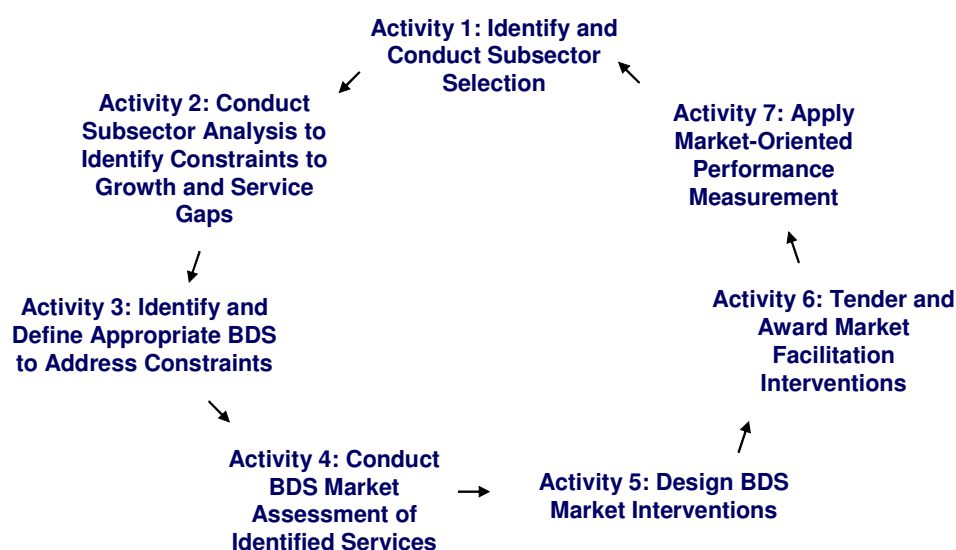
Specifically, the program will select 3 subsectors of high growth potential for micro- and small-enterprises (MSEs), and identify market inefficiencies along the supply chain. As critical constraints are identified, the program will facilitate the delivery of appropriate business development services to rural MSEs on a commercial basis.

The program will be flexible, and design/introduce new market development interventions on an ongoing basis in response to changes in the market. A significant component will be the Market Intervention Fund that will finance a combination of supply- and demand-side interventions, as well as information dissemination techniques to stimulate commercial transactions. Through the Fund, tenders will be competed among local business service providers and facilitators. This will maximize the utilization of local resources and Kenyan expertise, and encourage market sustainability.

The efforts of the Kenya BDS Program will result in increased market transactions, enhanced skills, greater information, and ultimately more competitive MSEs contributing to the formal economy in Kenya.

### Activity Overview

The approach which will be replicated by Kenya BDS in each of the identified subsectors is as follows:



### ***Key Activities to Date***

Over the past year, the “Tree Fruits Subsector” has been identified as the first of three subsectors for assistance by Kenya BDS, with a focus on avocado, passion, and mango fruit. Based upon the geographical locations of the fruit, Program activities will focus in the Central, Eastern, and Coastal Provinces. Services of concentration will include: 1) Product assembly and grading services (supply contracts, forward and backward linkages, broker schemes); 2) Quality assurance services (production issues related to crop husbandry skills such as extension services, post-harvest handling, certification, MRLs, traceability); 3) Access to material inputs (agro-chemicals and seed varieties); 4) Business skills (farming as a business); 5) Appropriate technology (irrigation and processing); 6) Establishment of a Kenyan label (domestic and export); 7) R&D (local adapted varieties, processing, and consumer preference for new products); and 8) Financial brokering (processing and smallholder levels).

Kenya BDS has also continued with pre-registration of local facilitators for the intervention fund, as well as tender release and award. To date, over 70 local facilitators have been pre-screened and registered with the Kenya BDS Program. Seven projects have been awarded to date under the Market Intervention Fund. These include the following:

- *A01/001/03 – Backwards Linkage with Smallholder Farms in Passion and Mangoes, Eastern Province (Just Juice, KARI, KMEPP)* - Just Juice, a private juice processor, will lead this consortium to facilitate both industry (horizontal) and backwards linkages with passion and mango fruit farmers in Meru and Embu Districts. Through commercial demonstration plots and nurseries, farmers will also have access to both technical assistance and inputs necessary to succeed. Estimated outreach is 1,000 smallholder farmers.
- *A01/002/03 – Facilitation of Market Information for the Rural Smallholder Farmer through ICT, Central Province (KACE)* - KACE is a private firm that will facilitate the development of commercial market information systems in Central Province for the passion, mango, and avocado commodities. Through market information points and SMS technology, farmers will have access to daily market prices and information on buying/selling market opportunities. Estimated conservative outreach is 6,000 MSEs.

- *A01/003/03 – Forward Linkages with Smallholder Mango Farmers in Eastern and Central Province (SITE)* - SITE is a local NGO that will facilitate forward linkages for mango smallholder farmers in Eastern and Central Provinces. Assistance will be provided in linking identified groups with prospective buyers, as well as accessing relevant business services. Estimated outreach is 900 smallholder farmers.
- *A01/004/03 – Privatization of Extension Services in Coastal Province (CDA)* – CDA is a parastatal that will commercialize extension services in Tana River and Lamu Districts. The Program will apply a modified Farmer Field School approach in building the capacity of unemployed but qualified extension officers (graduates, retirees, and retrenches), as well as select lead farmers to become private extension service providers to mango farmers. Estimated outreach is 140 private extension providers created, and over 5,500 farmers accessing such services.
- *A01/005/03 – Facilitation of Quality Assurance Services and Market Access with Smallholder Mango Farmers, Coast (KGT, KARI, KWETU)* – Kenya Gatsby Trust, a local NGO, will lead this intervention to assist in the identification and formation of smallholder mango producer groups, build the capacity of locally available extension service providers, and forge market linkages with mango producers and buyers operating in Malindi District. Estimated outreach is 70 private extension service providers created, and market linkages with over 700 smallholder farmers.
- *A01/006/03 - Capacity-Building of Agrochemical Stockists as Business Service Providers for the Tree-Fruit Sub-sector, Eastern and Central Province (IBL)* – Ideal Business Link is a private sector development consulting firm, that will build the capacity of rural agrochemical stockists as commercial providers of advisory services to increase the understanding, accessibility, and safe and proper application of agrochemicals by tree-fruit farmers. Estimated outreach is 30 agro-stockists providing commercial services to farmers on safe and proper use of agrochemicals, with 6,000 MSEs accessing such services.
- *AO1/007/04 – Increased Availability and Supply of Commercial Treefruit Planting Materials to Smallholder Farmers in Mbeere and Machakos Districts (KADI)* – Kamurugu Agricultural Development Initiatives is a local grass-roots support organization that will facilitate commercial access to disease free rootstock cultivar seedlings as well as advisory services in orchard management through the establishment of certified quality fruit tree nurseries and rural-based service providers.
- *L01/001/03 – Facilitation of Outgrower Arrangement with Smallholder Avocado Farmers, Central Province (EAGA)* – East African Growers Ltd., a large exporter of horticultural products, will work with Kenya BDS to facilitate backwards linkages and supply contracts with smallholder farmers in Maragua District. In exchange for Haas and Fuerte variety avocados, farmers will receive embedded services such as inputs, extension, collection, and a guaranteed market. Estimated outreach is 500 farmers having entered into long-standing supply contracts with EAGA.

Kenya BDS has also recently identified Lake Victoria fish, with a focus on Nile Perch, Tilapia, and Dagaa as the second subsector for assistance. Based upon subsector analysis and stakeholder vetting, business services to target will include: 1) savings mobilization services; 2) product assembly and market linkage services; 3) quality assurance services ; 4) material input supply services; 5) business management training; 6) market information services; and 7) new product development.