



PRIVATE SECTOR DEVELOPMENT



JICA fostering Kenya's private sector for shared prosperity

Kenya's strategic location in East Africa positions it as a crucial hub for regional trade and investment. As the nation pursues economic expansion, the private sector plays a vital role. The Japan International Cooperation Agency (JICA) has 60 years' experience of collaboration with Kenya and recognises the importance of private sector involvement alongside government support in finding innovative solutions for sustainable economic development.

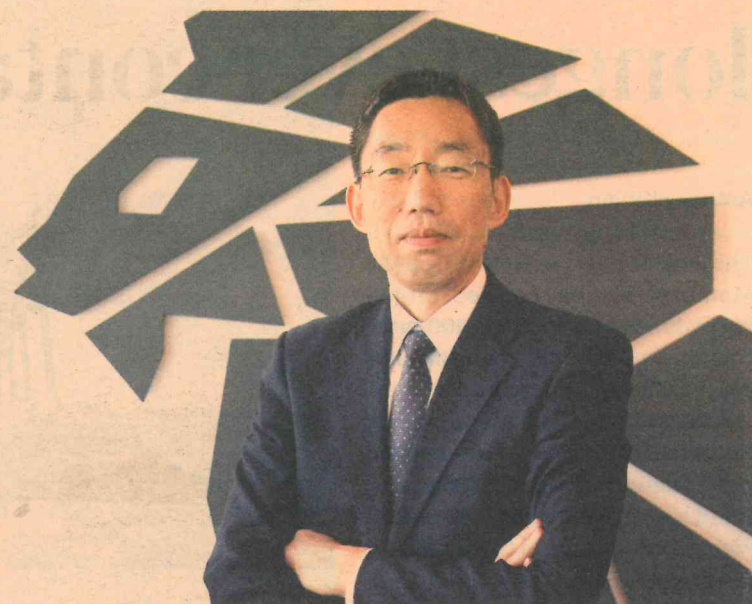
By aligning with Kenya's Vision 2030, a development blueprint emphasising industrialisation and local industry growth, JICA actively promotes private sector investment and capacity building. Through various programmes, JICA collaborates with micro, small and medium-sized enterprises (MSMEs) and entrepreneurs to help them expand inde-

pendently, supporting the Kenyan government's efforts to cultivate local industries and innovative businesses. This fosters economic value, creates employment opportunities, and enhances competitiveness.

Project NINJA (Next INnovation with Japan), for instance, exemplifies JICA's commitment to promote economic growth and fostering an entrepreneurial ecosystem driven by innovation and private sector growth. Launched in 2020, Project NINJA has a business plan competition and accelerator programme, offering workshops, mentorship, strategic partnership and access to investment opportunities. This multifaceted approach facilitates knowledge exchange, technical training, and nurturing cross-cultural connections and insights for entrepreneurs. Here, they gain access to Japanese ex-

pertise, best practices, and sustainable solutions in diverse fields like renewable energy, agribusiness, and healthcare, among others. JICA's commitment to fostering innovation and entrepreneurship aligns seamlessly with its broader goal of supporting global social and economic development.

JICA's Private Sector Partnership Programme for SDG Business Support, on the other hand, demonstrates collaborative efforts between JICA and Japanese businesses to achieve the Sustainable Development Goals (SDGs) in Kenya. Partner Japanese companies assess the potential application of their advanced technologies and services to address development challenges and improve the well-being of Kenyan communities. Examples are the JICA-funded Pilot Plastic (PET) Recycling plant at Jomo Kenyatta Universi-



Mr. SHINKAWA Makoto, Chief Representative, JICA Kenya

ty of Agriculture and Technology (JKUAT) and Measures against Non-Revenue Water of the Water Supply System by Utilising Mechanical Joint Connections in Kericho County.

As I conclude, may I urge all of us to continue to build a sustainable

future for Kenya. JICA remains committed to fostering an enabling environment for private sector growth in Kenya. We aim to build collaborative efforts to unlock the full potential of this vibrant nation, creating prosperity and improving livelihoods.

Japanese collaborations revolutionizing waste management and water infrastructure

JICA is partnering with Japanese private businesses to achieve the Sustainable Development Goals (SDGs) in Kenya. More than 40 projects have been completed since 2010, and around 15 are currently under implementation or in the pipeline as of early 2024. These projects span a wide range of sectors, including agriculture, forestry, health, education, water, environment, and economic infrastructure services.

Partner companies verify the potential application of their advanced technologies, products, and services in Kenya while assessing how they will contribute to the development needs of the Kenyan people. Additionally, they evaluate the business viability for future scaling up on a commercial basis to further contribute to the SDGs.

Case 1: Addressing Kenya's PET bottle waste crisis

While the use of PET bottles continues to rise annually in Kenya, many of these waste PET bottle resources are disposed of without proper recycling due to international export restrictions and other factors. In response to this environmental crisis, the Kenyan government has intensified its recycling efforts, including the enactment of laws such as the Sustainable Waste Management Act.

Recognising an opportunity to contribute to Kenya's journey toward a circular economy, Tobe Shoji Co., Ltd. (Tobe), with more than 130 years of experience in Japan's recycling in-

dustry, initiated a partnership with Jomo Kenyatta University of Agriculture and Technology (JKUAT). Leveraging three decades of expertise in PET bottle recycling in Japan, Tobe established a pilot plant within the university premises. This innovative facility specialises in processing used PET bottles into high-quality PET pellets, meticulously removing impurities such as sand, dust, and dirt to ensure the production of high-grade raw materials.

Ongoing surveys and comprehensive supply chain assessments are underway, with preparations for commercialisation in progress. Tobe aims to continue supporting Kenya's transition to a circular economy and

contribute to the realisation of sustainable waste management practices.

Case 2: Innovative solutions to Kenya's water woes

In Kenya, chronic water shortages and low rates of access to safe water have become a social challenge. Additionally, the non-revenue water ratio in the water utility (which represents the percentage of water fees that could not be collected due to leakage from distribution pipes or illegal theft of water) exceeds 40 percent, posing a significant hurdle for achieving effective water utility management.

SK-Kawanishi Co., Ltd. (SK-Kawanishi), a leading company in the field



Ms. Purity Njeru a Senior Technologist at IEET (in orange reflector) explaining to some of the stakeholders on how the recycling machines operate.



Mr. KAWANISHI Akihiro, CEO SK-KAWANISHI CO., LTD. with Community members during the inauguration of the Ainamoi Water Supply Project in Kericho County.

of mechanical joint connections for rigid PVC and cast iron deformed pipes, holds more than 70 percent of the Japanese domestic market share. The company has embarked on a demonstration project aimed at promoting the widespread use of mechanical joint connections to reduce the risk of leakage from joints—one of the primary causes of non-revenue water.

In the Kericho County demonstration project, SK-Kawanishi installed approximately 12 kilometers of new water pipelines in collaboration with the Kericho County government and the Kericho Water and Sanitation Company. Notably, the company's

mechanical joint connections not only decrease the leakage rate but have also received high praise for their exceptional work efficiency. These joint connections allow for installation even during rainy weather and reduce work time by a quarter at each location.

As further investigations unfold, SK-Kawanishi is actively collecting empirical data from these demonstrations, advancing preparations for commercialisation. With a steadfast commitment to enhancing Kenya's water utility sector, SK-Kawanishi is well-positioned to make substantial contributions to the water infrastructure improvements.





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New dawn for JICA's startup ecosystem engagement in Kenya as first cycle of Project NINJA concludes

It all started in January 2021, amid the Covid-19 pandemic: A call for applications to join the first cohort of the NINJA Accelerator in Kenya – the first startup acceleration programme ever to be held by the Japan International Cooperation Agency (JICA) in Nairobi.

The NINJA Accelerator stemmed from JICA's flagship initiative called "Project NINJA" (Next INnovation with Japan), meant to support the establishment and development of startup ecosystems, while working towards creating environments where innovative startups can be continuously and autonomously birthed and nurtured in developing countries.

Launched in 2020, Project NINJA had already been supporting entrepreneurs tackling social issues in Southeast Asia, and provided various forms of aid including entrepreneurship development, business matching, investment promotion, and policy recommendations. This initiative emphasises collaboration between Japan and entrepreneurs in target countries to foster sustainable economic and social development, aiming to contribute to the achievement of the Sustainable Development Goals (SDGs) by facilitating partnerships between entrepreneurs and Japanese entities.

Eventually, the time had come for JICA to introduce Project NINJA to Kenya, one of the Big Four startup ecosystems on the African continent. For that purpose, JICA collaborated with a Japanese consortium led by Tokyo-based venture capital and startup ecosystem engagement firm Double Feather Partners (DFP), including consulting firms Deloitte Tohmatsu Venture Support (DTVS) and Deloitte Tohmatsu Financial Advisory (DTFA). This consortium then collaborated with leading Kenyan ecosystem support organisation GrowthAfrica as local partner.

In line with the times, the first cohort of the JICA NINJA Accelerator in Kenya (from January to July 2021) targeted seed to pre-series A startups engaging in businesses that helped cope with the duress of Covid-19 and potential to scale during and after the pandemic. The first five startups to be chosen were Wasoko – formerly Sokowatch (e-commerce/logistics), Kwara (fintech), Cinch Markets (agritech), Amitruck (mobility), and Zana Africa (healthcare, education), followed by pre-seed to seed startups Shamba Pride (agritech), Saada Tech (fintech, CRM), Kijenzi (3-D manufacturing), M-Paya (smart metering), and Yakwetu – formerly MyMoviesAfrica (entertainment tech) as part of the second cohort which ran from October 2021 to January 2022.

Not only did those startups receive intensive tailored support and mentorship to address critical business issues during the 12-week programme, but also enhanced networking and fundraising opportunities such as



Megan Mukuria, Founder of ZanaAfrica (left) and Cynthia Wandia, Co-Founder and CEO of Kwara (right).



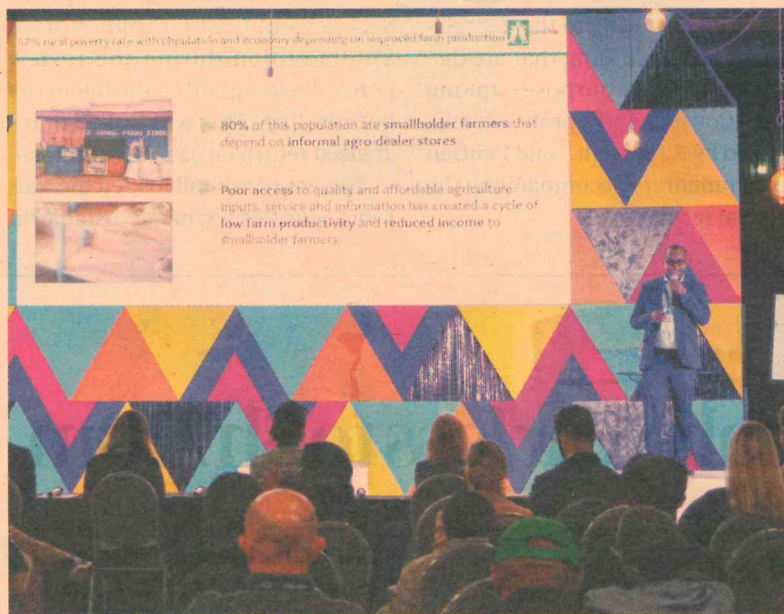
Cohort 2 of the JICA NINJA Accelerator in Kenya.

the introduction to Japanese corporations, Japanese VC-focused matching events, attending the 2021 Africa Arena Grand Summit in Cape Town, and a one-week roadshow to the Silicon Valley.

The outcomes of the NINJA Accelerator were quite remarkable, with examples such as Sokowatch (Wasoko) raising its \$128 million series B round post programme, Kwara a \$4 million seed round (which included renowned Japanese investment company Softbank), Amitruck a \$4 million pre-seed round, or Shamba Pride raising \$1.1 million in 2021, then \$3.7 million in 2024. Other startups such as Saada Tech got acquired by e-commerce startup Elloe in 2022, while Yakwetu became the first business from a developing country to win a prestigious World Intellectual Property Organisation (WIPO) Global Award in 2023.

The impact of these JICA-supported startups transcends fundraising milestones or financial transactions. For instance, as of 2023, ZanaAfrica was able to provide more than 50,000 sanitary products and reproductive health education to over 100,000 adolescent girls in Kenya, and is set to expand its programmes at national and regional levels, thus, contributing to improve health and well-being (SDG 3), enhance the quality of education (SDG 4), and promote gender equality (SDG 5). Another example is Kijenzi, which has been actively contributing to improve healthcare access and spare parts supply chains by leveraging its 3D printing technology model to enable quick and low-cost replacements of broken or outdated medical equipment or mechanical parts. To date, Kijenzi has manufactured over 15,300 locally improved equipment, instruments, or parts needed by healthcare facilities for 159 clients, with a 97.2 percent product quality rating.

By September 2023, JICA had already announced the third cohort of its NINJA Accelerator in Kenya, with a focus on supporting pre-seed to seed startups in cleantech, this time featuring Baridi (cold supply chain), Mazi Mobility (e-mobility,



Samuel Munguti, Founder and CEO of Shamba Pride presenting in front of an audience in South Africa.



Two Kijenzi employees working together in their office in Kisumu.



Cohort 3 of the NINJA Accelerator during a networking session in Tokyo.

IAAS), MegaGas (plastic-to-cooking gas), Ycenter Shambah Solutions (agritech), and Timao Group (sustainable construction). As JICA's first post-Covid cohort, online sessions left way to warmer in-person sessions, connections or visits to Kenya-based Japanese corporations, a local investor-focused demo day with exhibition booths, pitching and investor dinners at the 2023 Africa Early-Stage Investor Summit (AESIS) in Cape Town, and an action-packed

one-week roadshow to Japan in February 2024, showcasing startups in Kyoto and Tokyo.

As this third cohort comes to an end in March 2024, so will the first cycle of JICA's Project NINJA initiatives in Kenya. That said, there is still room to wonder how JICA will continue to engage with the Kenyan entrepreneurial ecosystem. One thing is for sure, with the momentum created by these first three NINJA Accelerators in Kenya, JICA will keep building on

this foundation, not only via Project NINJA, but through the continued efforts of JICA's Private Sector Development team in Nairobi.

As Japan and Kenya just celebrated 60 years of fruitful diplomatic relations, and as the Government of Kenya recently unveiled its 10-year Innovation Master Plan, the opportunity seems as ripe as ever to deepen co-operation between both countries to support the youth, and the socio-economic and sustainable development