The International Trade Centre is the joint agency of the World Trade Organization and the United Nations. ITC assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within the framework of the Aid-for-Trade agenda and the Sustainable Development Goals.

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**Kenya**  
Information Technology (IT) and IT-Enabled Services Sector

Export Sector Competitiveness Programme  
Netherlands Trust Fund Phase III

Following a decade of rapid urbanization and strong economic growth, Kenya, also nicknamed "Silicon Savannah", is enjoying a steady wave of innovation. International firms, including Google, Microsoft, IBM and SAP have signalled their confidence in the country’s potential by setting up full-fledged offices in Kenya. Government plans are ambitious: The Kenyan ICT Board foresaw that by 2017, the domestic ICT industry will be earning an estimated US$2 billion (about 25 percent of Kenya’s current gross domestic product).

Two factors are significant in considering Kenya’s unique selling points and stand-out features: the country’s worldwide leading position in the mobile payment sector (M-Pesa), and its sophisticated IT hub structures (iHub). The NTF III project is designed to help the Kenyan IT and ITES industry capitalize on these competitive advantages, and to further enhance the sector’s export competitiveness.

The project supports 33 selected beneficiary SMEs and builds capacity at the Kenya IT and Outsourcing Service (KITOS) association and the ICT Authority of Kenya (ICTA).

The expected results of the project are:

- 5% more jobs created in 20 beneficiary small and medium-sized enterprises (SMEs).
- An increase of 8% in the value of IT&ITES exports as reported by participating SMEs.
- 3 new export markets entered by beneficiary enterprises.
- 55 new potential buyers met through the project.

PROJECT OUTPUTS

OUTPUT 1: Validated export plan for the IT and ITES sector in place

Building on Kenya’s ICT Master Plan, the project has supported ICTA in institutionalizing a set of thematic groups (known as caucuses) composed of private sector stakeholders who interact with government officials. Kenya’s ICT Master Plan is widely recognized and covers most aspects of a sector export strategy. The project is developing a practical action plan to initiate and support the Master Plan.

OUTPUT 2: Export capacities of SMEs in the IT and ITES sector improved

Export capacities of 33 selected SMEs are being improved by:

- Enhancing their business and marketing capacities
- Branding and sales negotiation training
- Improving access to finance for the SMEs
- Developing an e-commerce infrastructure in form of an e-directory on which SMEs display their products and services

OUTPUT 3: Capacity of partner TSIs in providing services to SMEs in the IT and ITES sector improved

The capacity of the main beneficiary trade support institution, KITOS, is being reinforced in the fields of institutional marketing and positioning. This includes expanding KITOS’s service portfolio by providing training on how to set up a member portfolio database and on the industry association’s business matchmaking capacity.

OUTPUT 4: Business linkages and technical partnerships created and/or expanded

The project connects Kenyan companies in the IT and ITES sector with global markets by facilitating their participation at international conferences and B2B events. Strong synergies are also being sought among the three NTF III projects that focus on the IT and ITES sector, namely: Bangladesh, Kenya and Uganda. This includes regular meetings to exchange lessons learned and share experiences, and to promote joint south-south cooperation activities.

WOMEN in IT

Women are underrepresented in the IT and ITES sectors, even though these industries offer significant employment and entrepreneurship opportunities. In recognition of this fact, NTF III Kenya focuses specifically on increasing the number of women working in the Kenyan IT and ITES industries. According to the gender-related development index (GDI) published by UNDP, Kenya ranks 147th out of 187 countries.

Project activities include:

- Women in IT synergy workshop held in Dubai, October 2014.
- PR outreach and showcasing of female leaders in IT through social media and YouTube.
- Sponsorship of women-led companies to attend “Connected East Africa”, Kenya’s largest IT summit.

Other project activities include the sponsorship of women entrepreneurs to ITC’s annual Women Vendors Exhibition and Forum, targeted training on for example pitching and sales, and nomination to global awards like ITU’s GEM-TECH challenge. Moreover, a specific focus is to synergize with project efforts in Bangladesh and Uganda.

TSI STRENGTHENING

« KITOS is still relatively young, but we are on the right path to achieving our vision of becoming ‘The Industry Catalyst for Kenyan IT & ITES Entrepreneurs and Companies’. In the past year, membership has grown by more than 200%, and now we are working on monetizing our new service portfolio. The NTF III project has given KITOS the necessary push it needs in its critical young years. »

Liz Mwangi, CEO of KITOS