INTEGRATED SAFEGUARDS DATA SHEET
IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC14349

Date ISDS Prepared/Updated: 03-Nov-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Kenya	Project ID:	P156466
Project Name:	Digital Entrepreneurship Kenya		
Team Leader(s):	Toni Kristian Eliasz,Markus Njehiah Kimani		
Estimated Date of Approval:	04-Jan-2016		
Managing Unit:	GTCID	**Lending Instrument:**	Lending Instrument
Sector(s):	General information and communications sector (70%), General industry and trade sector (30%)		
Theme(s):	Micro, Small and Medium Enterprise support (90%), Technology diffusion (10%)		

Financing (in USD Million)			
Total Project Cost:	0.45	Total Bank Financing:	0
Financing Gap:	0		

Financing Source			Amount
InfoDev			0.45

Environment Category:	C - Not Required

B. Project Development Objective(s)

The Project Development Objective: To support Kenya's leading ICT focused business enabler (m:lab East Africa) to improve and scale-up its service models and better foster the growth of digital entrepreneurs.

C. Project Description

The project is to extend capacity and service portfolio of m:lab East Africa to launch globally competitive, growth-oriented, mobile and digital technology businesses and further position it as a regional hub for the advancement of digital entrepreneurship.

The project activities build upon earlier projects of T&C's Digital Entrepreneurship Program (formerly Mobile Innovation Program), which has designed, tested and derived lessons from 13 mobile business enablers (mLabs and mHubs) in Asia, Africa, ECA and the Caribbean.

While the mLabs and mHubs initiated by T&C through infoDev (a global trust funded program)

were first of their kind at the time, there has since been a proliferation of activities aimed to assist tech entrepreneurs in Africa, signaling an enormous demand for entrepreneurship support.

There are however still critical gaps in the service offering available to digital enterprises. Start-up is no longer the issue. There are lots of business plan competitions, technology bootcamps, etc that provides an opportunity for individuals and teams to get started. The key gap relates to the ability of business enablers to identify and to meet the needs of digital entrepreneurs with the growth potential, to help them build links to wider value chains, enter new markets, secure finance and build a team to reach scale.

To address this gap, the program will strengthen the institutional capacity of m:lab East Africa to provide quality services to growth-oriented digital entrepreneurs. Based on best practices around the world, the program aims also to test an innovative business advisory approach known as "acceleration" that takes growth oriented enterprises and start-ups through a rapid-cycle competitive curriculum, and matches them quickly to appropriate capital and business mentors. Similar projects will be implemented in Senegal and South Africa targeting the West African and Southern African markets.

A key challenge for digital entrepreneurs in Kenya and other African markets is the lack of agglomeration – investors and industry know to look to European and US technology hubs for prospective "deals", and there are economies of scale to them of investing time and money in these geographic areas. Digital entrepreneurs who truly have growth potential in Kenya or other African markets may however be few and far between. A critical contribution of this project is to aggregate high growth potential entrepreneurs and raise their visibility vis-à-vis larger industry and financial actors to bring the promising enterprises to scale.

The following key activities will be implemented within the project scope:

1. Strengthening of m:lab East Africa's institutional capacity to support growth-oriented digital entrepreneurs

Expected Deliverables: (1) improved business and sustainability models (including strategy on engagement with early-stage investors and enhanced services portfolio); (2) improved M&E framework and tools critical for tracking the progress of entrepreneurs and other business analytics.

2. Improving m:lab East Africa's capacity to increase investability of digital entrepreneurs

Expected Deliverables: (1) staff trained via participation in "Master training" on increasing entrepreneurs investability; (2) up to 10 Access to Finance workshops for select group of at least 50 investment-ready entrepreneurs organized; (3) links with early-stage financiers strengthened to ensure that GO entrepreneurs have an improved access to early stage financiers as entrepreneurs become investment ready.

3. Implementation of regional acceleration program

The core grant funding will be allocated to the design and delivery of a regional acceleration program aimed to identify prominent digital entrepreneurs in East Africa and provide them with intensive face-to-face and virtual support in order to link them with expertise, capital and markets they need to

grow.

m:lab East Africa will run regionalacceleration program for East Africa, where it will be responsible for reaching out to the large network of technology innovation hubs and incubators (including Nailab, and hubs in Mombasa and Kisumu) and act as regional hub, facilitating a sub-regional program and addressing the issue with limited local deal flow individual business enablers typically face. With the aim to building awareness around innovative digital technology solutions for the manufacturing sector, specific outreach campaign will also be implemented to encourage digital entrepreneurs with solutions for the manufacturing sector to apply to the program.

During each round of regional acceleration program, 20 of the most talented entrepreneurs will be nominated by the participating business enablers (based on rigorous selection criteria) and cultivated by m:lab East Africa over a limited period of time combining both virtual and residential acceleration methods.
The program will introduce an advanced acceleration curriculum for the participating entrepreneurs. The curriculum will include topics such as investment readiness and investor engagement, diaspora networks, and internationalization of digital enterprises, and will seek to create the capacity and networks necessary to take most potential entrepreneurs "up the ladder."

Two rounds of acceleration programs should be implemented within the grant scope. It is expected that the outcomes of the first round will inform on potential adjustments to the program design to ensure the most efficient approach. The overall objective is that the business enablers may adapt and replicate the program in future years.

It is also expected that m:lab East Africa will work closely with the task team and nominate entrepreneurs from regional acceleration program for a Pan-African Acceleration Program that will be implemented through bank-executed activities and aimed to bring around 20 star performers across Africa to scale through a rapid process of exposure to global capital and industry connections.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

E. Borrower's Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

Edward Felix Dwumfour (GEN01)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project will support neither physical investment nor technical assistance activity which could indirectly trigger environmental and social risks/impacts.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	

Pest Management OP 4.09	No	
Physical Cultural Resources OP/ BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Toni Kristian Eliasz,Markus Njehiah Kimani	
Approved By:		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 08-Nov-2015
Practice Manager/ Manager:	Name: Ganesh Rasagam (PMGR)	Date: 11-Nov-2015

---

[1] Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.