

BSMDP Project

Danida has decided to continue the implementation of BSPS sub-component 2.1, which runs up to the end of 2010, through a new institutional set-up that (a) ensures an uninterrupted and smooth continuation of the sub-component's activities, (b) facilitates the gradual integration of ABD activities and (c) allows other donors to join the set-up in order to eventually build a larger, coordinated and harmonized (possibly basket-funded) approach to business service market development activities.

Danida has chosen MESPT as the appropriate institutional host recognizing its positive experience with the Trust in the implementation of the Financial Services sub-components under BSPS Component Two and ASPs/ABD, and considering the fact that one of MESPT's key strategic goals is to strengthen its leg of support to non-financial BS development. MESPT is considered a capable Kenyan MSME support institution with the potential to grow into a key focal point for future donor support and other investment in BS market development in Kenya.

Under Output 1, a range of intervention are to be funded in selected value chains and cross-cutting service sub-sectors that enhance productivity and business transactions in value chains and promote the emergence and development of needed business services. Relevant interventions have already been or will be selected on the basis of value chain analyses and stakeholder discussions. Interventions are implemented through sub-contracts by Kenyan facilitators, which are selected through a competitive screening process and which enter into a performance contract with MESPT. The value chains to be targeted will from the outset be the same as targeted in the BSMDP, namely dairy and horticulture. Cross-cutting service sub-sectors include media/ICT and skills development. Activities build on previous achievements and lessons learnt. Apart from new interventions, the radio project implemented by FIT Kenya and the TVT activities in the dairy value chain, implemented by SITE, have been continued. New value chains should be determined in cooperation with other donors, in particular those which will join the MESPT set-up.

The aim of Output 2 is to strengthen information exchange and discussion about experience and best practice of BS market development projects in Kenya, building on the work of the existing BDS donor group. The output is therefore geared towards improving the overall BS development environment in Kenya, while strengthening capacities in MESPT to assume the role as a focal point for BS development in the country. Funds will be made available for the establishment, growth and maintenance of a BS library housed in MESPT and the further development of the BSMDP website with a view to creating a "BS in Kenya" website. In-depths impact studies on market development interventions will be conducted beyond the routine project monitoring tasks in order to substantiate the discussion on best practice. Funds will also be used to participate in annual BDS Conferences in and outside of Kenya. An additional focus will be put on capacity building of BS development facilitators based on the recognition that the group of capable and creative facilitators in Kenya is still rather limited. In cooperation with other relevant projects and programmes, regional cooperation with BS development projects in other East African countries may be explored.

Output 3 supports MESPT in establishing and capacitating its institutional framework for BS development by funding staff and operational costs necessary to implement the sub-component, to attract further donor support and investment and to gradually integrate ABD activities into the BSPS/MESPT structure.

Additional information on the BSMDP Project can be obtained on the MESPT BDS website www.mespt.org.