

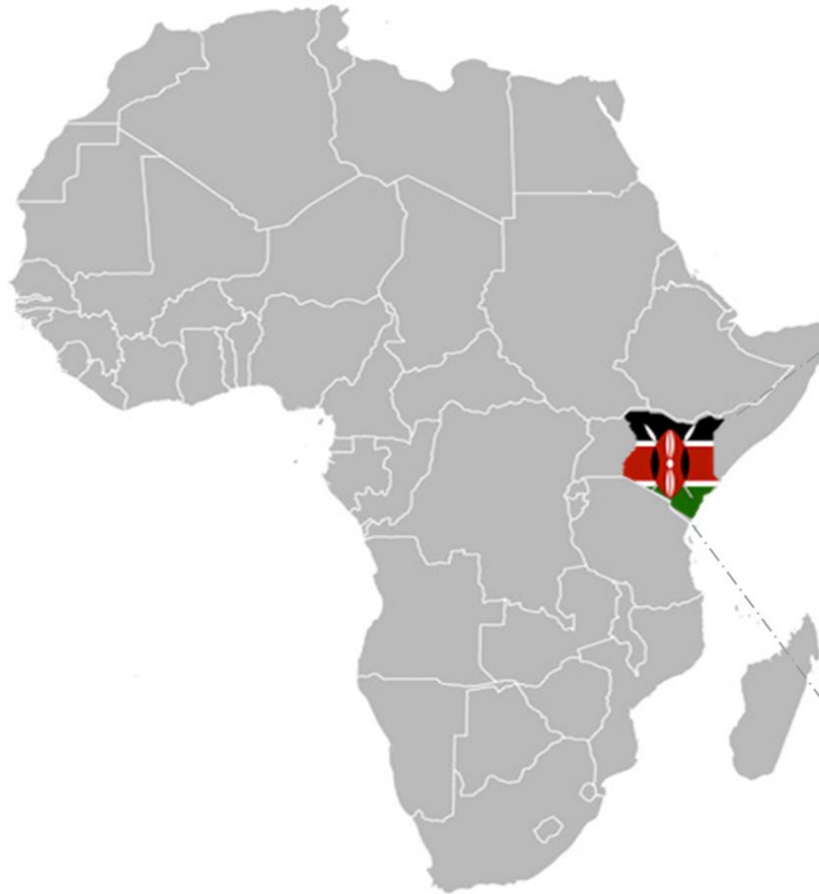


# The Agribusiness Deal Room @ the African Green Revolution Forum 2020

Investment Promotion Agency Presentation

Sept 2020 Kigali, Rwanda

# Kenya At a Glance



GDP (2018)  
**US\$ 89.05B**

FDI Inflows (2018)  
**US\$ 1.6B**

GDP Growth (2018)  
**6.3%**

FDI Growth (2018)  
**26%**

Average GDP Per Capita (2018)  
**US\$ 1,863**

Av. Exchange Rate  
**US\$ 1 - KES 100.8**

Area  
**582,650 sq km**

Population  
**47.56Mn**

Age structure  
**0-14 years: 40.02%**  
**15-35 years: 35%**  
**36-64 years: 21.98%**  
**65 years and over: 3%**

Official language  
**English**

Political system  
**Devolved State with  
Multiparty Democracy,  
47 Counties**

Kenya lies on the equator  
and enjoys a varied climate  
ranging from tropical to  
temperate ( **10° C to 35°C** )

# Kenya Economic Overview

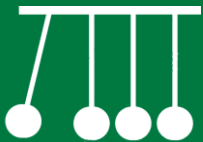


Largest economy in Sub-Saharan Africa, with a population of 47m and a market-based economy which as at year 2019, generated

**GDP**



GDP of USD 99b. (2019)



Micro, Small and Medium Enterprises (MSMEs) contribute approximately 40% of GDP



Ranked 56 among 190 economies in the ease of doing business. (2019 World Bank annual ratings).



Regional hub for trade and finance, hosting over 225 foreign multi-national Corporations (MNCs), with 10 setting up their regional headquarters in Nairobi



Robust Financial System - 42 Commercial Banks non-bank financial institutions, micro finance institutions, a range of insurance companies and a security exchange.



Available skilled and semi-skilled labour, with adult literacy rate of 81% as at year 2018



Nairobi hosts the United Nations Office at Nairobi (UNON) which is one of the four major United Nations office sites where numerous different UN agencies have a joint presence.



The Silicon Savannah, its Information and Communications Technology (ICT) sector has grown at an average of 10.8% annually since 2016.



- Connected and interconnected by road, rail and air.

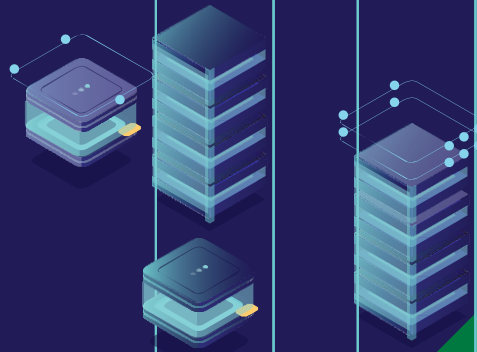


- ❖ Jomo Kenyatta International Airport, Flights to over 50 countries, hosts over 30 passenger and cargo airlines, served over 11m passengers (2019).
- ❖ Kenya Ports cargo throughput of 34.4m tonnes

## Who We Are

### VISION

To be a global technology and innovation hub

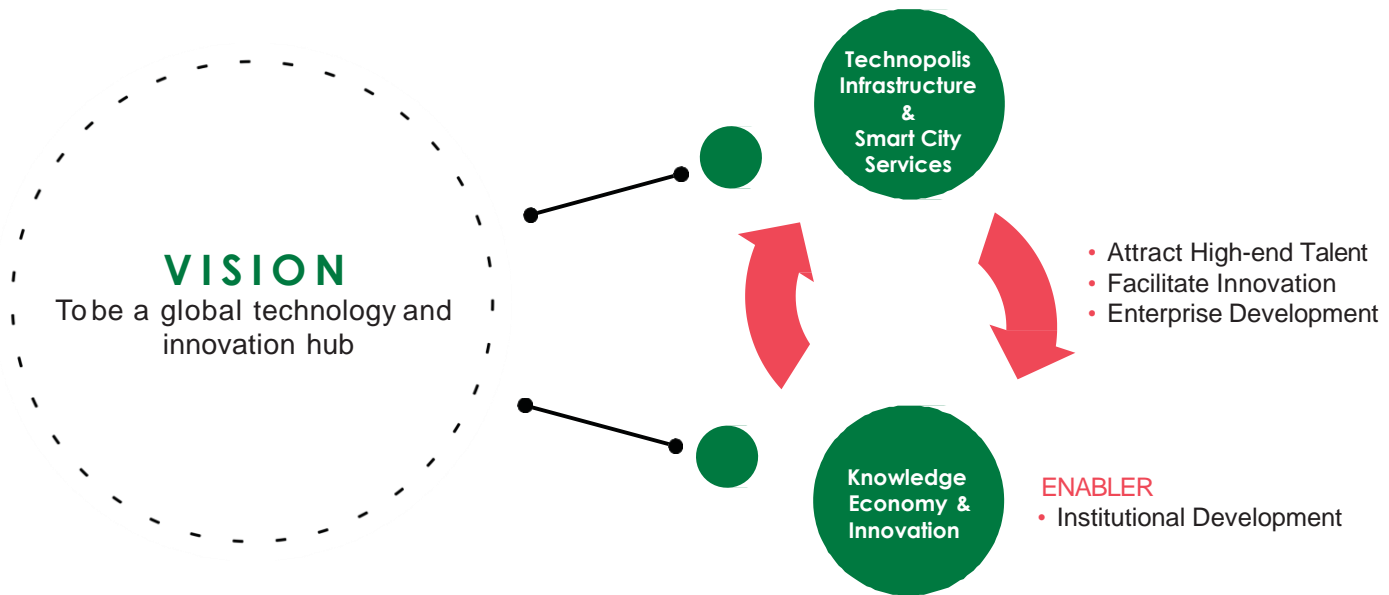


### MISSION

To develop a sustainable smart city and an innovation ecosystem, contributing to Kenya's knowledge-based economy



# Key Pillars





# Covid-19 Efforts

The Great COVID-19 Innovation Challenge is an initiative of KoTDA and Association of Country Wide Hubs



316 submissions from 47 counties

53%

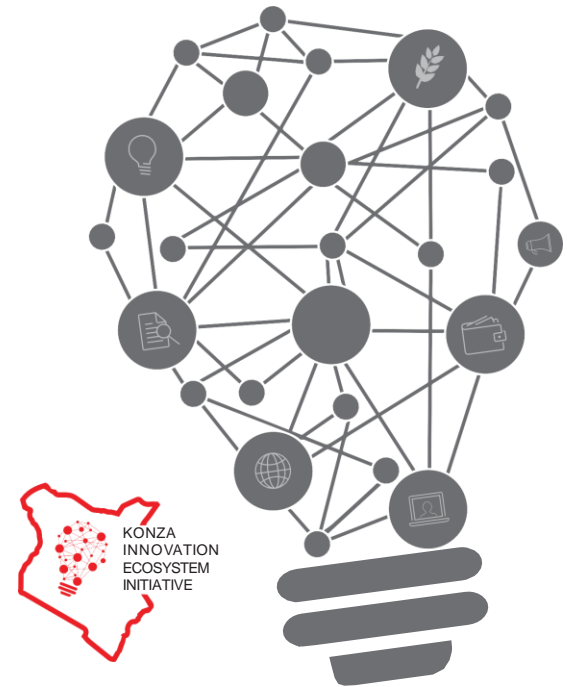
Health Systems Innovation for COVID-19

28%

Dignified work challenge for COVID-19

19%

Food Systems Innovation on for COVID-19



# Problem Statement

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Due to unpredictable weather patterns, reliance on scarce resources and traditional farming methods, households in Kenya are not only faced with the challenge of food supplies, but also generation of sufficient income to meet their needs

Despite the fact that the agriculture sector employs over 50% of Kenya's labour force, the sector has not been fully exploited to create value across the various touch points and support creation of meaningful job opportunities, especially for the youth

There is need to offer a One Stop Shop for solutions to problems facing Kenya's farmers, whose average age continues to fall. Innovative farming methods accompanied by technology can unlock Kenya's Agriculture potential and entice Kenya's youth to the farms

## Project Description: The Agri-Tech Centre of Excellence

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- Konza Technopolis proposes to develop an **“Agri-Tech Centre of Excellence”** bringing together the agriculture ecosystem players to leverage technology in raising agricultural productivity to world class levels.

This will be through the development and application of agri-technology, by developing enabling services and devices in support of adoption of sustainable agriculture practices in the country and beyond



# Project Description: The Agri-Tech Centre of Excellence

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- The Centre will be a test bed for high yield productivity, efficient use of resources, automation, value addition, common use facilities and promotion of urban agriculture practices among others
- The Centre will bring together well established organisations as well as start ups and SMEs. It will provide linkage between various solution providers who host and support ideas, innovations, individuals, farmer groups and organisations through incubation services and commercialisation of their products and services

# Project Description:

## The Agri-Tech Centre of Excellence

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The Center will employ a collaborative and partnership approach, where Government entities, Academia, Private Sector and the community will come together to promote food and income security from Agriculture and related activities

It will bring together expertise and efforts in different fields of agriculture and allow sharing of best practice and knowledge transfer

Accelerate the adoption of game-changing innovations and uptake of new concepts that are transforming agriculture. Farmers will learn new ways of doing things solve some of Africa's most persistent challenges including degraded soils or the low adoption of irrigation technologies

# Project Description:

## The Agri-Tech Centre of Excellence

The Center will seek innovative ways to deploy technology that will lead to greater efficiencies, better economic value for various players in the agriculture value chain and a prosperous, healthy nation

These include advances to overcome fragmentation in a sector dominated by small-scale producers - deployment of digital tools to improve output quality and traceability, strengthen resilience, boost information transfer and promote income safety in the agricultural sector



# Proposed Areas of Focus

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Agricultural Research and Development	New farming methods & Pest Management
Greenhouse Agriculture	Urban Agricultural practices
Soil Health Science & Plant Nutrition	Livestock Production and Animal Husbandry
Post Harvest Management & Smart Value Addition	Manufacturing and Assembly of Agri equipment and devices
Plant-based medicine	Agri data, Software and AI
Food Safety, Quality and Standards	Environmental conservation



## Expected Outcomes

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- Development of solutions which can then be upscaled and disseminated in the country, the region and beyond
- Research and Development that will improve food security and value addition initiatives - New and improved farming techniques and technologies will be developed, tested, show-cased and availed through demonstration centres
- A One Stop Shop offering training, technical support and consultation to enhance the adoption of technologically enhanced new and improved farming techniques, leading to improved food nutrition, security and enhanced income from agriculture entrepreneurship

# Expected contribution of the Agri Tech Centre of Excellence

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- **Food safety and security** as a result of innovative solutions and improved and technologically enabled services to the sector
- **Economic contribution:** The Centre targets to grow the Agricultural sector's contribution to the economy by 10% over a 10 year period to the year 2030
- **Employment opportunities:** The Centre aims to attract the growing youth population and create several employment opportunities and work streams, directly and indirectly, by leveraging technology and linkages with other sectors



# Expected contribution of the Agri Tech Centre of Excellence

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- **Diversification of products, markets and export earnings:** through the establishment of an e-trade platform currently in progress in partnership with Dubai Multi-Commodities exchange
- **Skill and Knowledge transfer:** The centre will impact a wide reach of farmers, organisations and groups through demonstration centres, physical visits, on-line support and digitally enabled support mechanisms

# Investment Plan

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- The Infrastructure Development cost required for development of Konza Technopolis Phase 1 has been fully financed by the Government of Kenya. The project is on course and set to be complete in February 2022
- The Investment required for the operationalization of the proposed Agri-Tech Center of Excellence be through partnerships with development partners and private investments

The transaction involves on-boarding and settling of key players either as partners or investors and will be subject to existing internal land allocation policies.

The Technopolis has set aside up to 70 acres of land for investments in Agriculture. The Agri-Tech Center will be located in this space, within the 5,000 acres of the Technopolis

One-Stop Shop services are available through the Authority to provide support to investors who set up in the Technopolis, helping to give them a seamless experience

## Key Partners:

- Government entities
- Academia and Research Institutions
- Development Partners
- The Farming Community
- Private Sector Players

# Overview of Key Financial, Technical, Market, Regulatory and Environmental Analysis

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- **Financial & Technical analysis**

Will be undertaken on a project basis

- **Market analysis**

Specific market analysis to be undertaken for specific investments. At its full capacity, Konza is expected to host 200,000 residents. It is also a great logistics hub that will ensure ease of supply of inputs and distribution of products within the country and beyond

# Overview of Key Financial, Technical, Market, Regulatory and Environmental Analysis

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- **Regulatory analysis**

Investors will enjoy a favorable regulatory environment, ease of doing business and other incentives that have been provided for in Konza, as a Special Economic Zone

- **Environmental analysis**

Konza is a smart, sustainable city with measures in place that assure conservation of the environment. All activities that will be undertaken will consider the environment and will be in line accepted best practice

- **Special Economic Zone Benefits:** Konza is a designated Special Economic zone which offers both fiscal and non-fiscal benefits
- **Government commitment, collaboration and support:** Konza Technopolis is a flagship project under Kenya's Vision 2030 economic blueprint. The Government has invested over USD700M in the Smart City Infrastructure, Data Centre and other business-enabling services
- **One-Stop Shop Services** for pre and post investment support
- Common-use and co-location facilities
- Affordable parcel leasing cost
- Cloud Tier 3 Data Center that is secure with 1.6 PT of storage and a disaster recovery center ready and available for use



# Special Economic Zone Incentives

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Konza is a designated Special Economic Zone (SEZ) where SEZ Enterprises will enjoy fiscal and non-fiscal incentives which include:

- Exemption from Value Added Tax (VAT) for supply of goods or taxable services
- Reduced Corporate tax: 10% for the 1st 10 years, 15% for the next 10 years
- Exemptions on Stamp duty exemptions on execution of legal documents
- With-Holding Tax (WHT) and Dividends at reduced rates
- 100% Investment deduction allowance on construction of buildings and purchase/installation of machinery for use
- Exemptions on Excise Duty, Import Declaration Fees (IDF) and Railway Development Levy (RDL)
- Work permits of up to 20% for full-time employees and higher for specialized sectors
- One Stop Shop services for pre and post investment support

# Boardroom Expectations - Key Asks

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- Uptake by Investors to drive agri-based initiatives, agro-processing and economic activities in the Agri-Tech Centre of Excellence
- Partnerships for the development and establishment of the Konza Agri-Tech Centre of Excellence
- Support to set up an Incubation Centre for Agri-Tech SMEs, Start ups and innovative solutions



# Thank You

