Kenya Catalytic Jobs Fund (KCJF)

Early Market Engagement Terms of Reference aligned to FCDO Commercial/ Programme Practice

Purpose

This ToR is designed for Early Market Engagement (EME). It provides information for suppliers to understand KCJF outcomes, proposed workstreams, expected delivery functions, indicative budgets, risks, governance and capability requirements, while preserving flexibility for the market to propose delivery models and identify improvements before any formal procurement.

1. Early Market Engagement Notice

FCDO is seeking supplier feedback on proposed KCJF delivery requirements. This EME exercise will test feasibility, delivery models, supplier capability, local market appetite, commercial structure, value for money, risk allocation, safeguarding, downstream grant management and programme assurance.

This document is not an invitation to tender and does not commit FCDO to procure, fund or adopt any specific delivery model. FCDO may amend the scope, packaging, budget profile, risk allocation or procurement route following market feedback.

2. Strategic Context and Business Case Alignment

Kenya has a strong and growing innovation ecosystem, supported by universities, research institutions, technology hubs, private sector actors and public investment in science, technology and innovation. However, significant barriers continue to limit the translation of innovation into commercial outcomes, investment and jobs. These include:

- Fragmented pathways between research, innovation and commercialisation.
- Limited access to validation finance and early-stage support.
- Weak links between innovators, industry and investors.
- Limited adoption and scale-up pathways for emerging technologies.
- Underrepresentation of women in innovation and commercialisation ecosystems.
- Insufficient coordination across ecosystem actors.
- Limited conversion of convenings and partnerships into sustained outcomes.

KCJF is designed to address these challenges through complementary interventions that strengthen innovation pipelines, improve commercialisation pathways, support adoption of emerging technologies, strengthen institutional capacity and foster collaboration between Kenyan and UK innovation ecosystems.

Programme outcome

Impact: Increased income for poor young men and women through productive employment opportunities. **Outcomes:** expanded innovative and disruptive technologies; increased private sector investment; improved enterprise performance; and increased employment opportunities for young people. All workstreams should demonstrate contribution to this hierarchy.

3. Proposed Scope for Market Engagement

FCDO is seeking market feedback on a package of complementary interventions designed to strengthen Kenya's innovation-to-investment pipeline, accelerate commercialisation of science and technology-based innovations, mobilise private investment, improve enterprise performance, and contribute to productive employment opportunities for young people. These interventions are aligned to the approved KCJF impact and outcome hierarchy and are intended to address critical gaps between research, innovation, market validation, investment readiness and scale. Suppliers are encouraged to provide feedback on delivery models, capability requirements, commercial structures, sequencing, risk allocation, value for money and opportunities to improve impact and sustainability.

The total indicative envelope under this programme is £1 million, broken down by workstreams (as below). Suppliers should treat these figures as indicative for EME and provide feedback on affordability, minimum viable scope, cost drivers and value-for-money trade-offs.

Workstream 1: Scaling Innovative Tech and Digital Startups (TISPP)

Indicative Budget and duration: £250,000 over 12 months

Development Challenge

Kenya has a vibrant startup ecosystem and strong rates of startup formation, yet many ventures fail to progress beyond MVP and early traction stages. Market fragmentation limited corporate engagement, weak pathways to investment, and poor integration between innovation support initiatives constrain startups from scaling nationally, regionally and internationally. Access to markets is increasingly a more significant barrier than access to startup creation support.

Objective

Build and strengthen the tech innovation pipeline and pathways. Support innovative technology and digital ventures to progress through structured progression criteria from concept, MVP → pilot → market entry, towards scale/ investment readiness; commercial partnerships, and regional expansion. Convert Kenya's strong startup formation and funding performance into sustained scale-ups, market leadership, investment readiness and job creation.

Indicative Supplier-Facing Functions

The supplier may be expected to:

- Strengthen startup pipeline through venture-building and structured growth pathway linkages using Startup School in collaboration with Universities (Clustered), KENIA, NEIL, UCL, Imperial, Tvets and Innovation Week Opportunities.
- Practically build access to markets, talent and funding by implementing Tech Corporate Venturing. (Through partnering with Corporates (Clustered), NIFC, KenInvest, Indexa, London Tech Week, Forge Africa)
- Unlock catalytic grants milestone-based support to innovative technology and digital ventures.
- Support cross-border expansion. UK–Africa innovation and investment linkages
- Strengthen startup investment readiness and investor engagement.
- Mobilize catalytic funding and co-investment opportunities (Example -TechRun: Sports Innovation Cluster).
- Generate evidence, learning, and ecosystem insights to improve startup scale-up pathways.

Workstream 2: AI Innovation– Validation, Adoption and Market Readiness

Indicative Budget and duration: £200,000 over 12 months

Development Challenge

Artificial intelligence has significant potential to improve productivity, public services and economic growth in Kenya. However, many promising AI solutions fail to progress beyond prototype and pilot stages because innovators lack validation funding, adoption opportunities, technical assistance, industry partnerships and support to prepare solutions for market uptake and investment.

Objective

Support AI ventures and use cases to progress from proof-of-concept to scalable, market ready AI innovations in key priority sectors identified in the Kenya AI Strategy 2025 – 2030. Accelerate validation, adoption and market readiness of high-potential AI innovations that contribute to productivity growth, job creation and inclusive economic development while creating pathways for future commercialization and investment.

Indicative Supplier-Facing Functions

The supplier may be expected to:

- Design and manage catalytic challenge grants and milestone-based support for AI innovations.
- Provide technical assistance on validation, adoption, market readiness and responsible & ethical deployment/development/usage.
- Improve market readiness and scalability of AI use cases
- Strengthen ecosystem linkages among innovators, investors, corporates, and policymakers.
- Generate evidence and learning on AI adoption and commercialization pathways.
- Facilitate UK–Kenya collaboration around AI innovation and responsible AI development for each use case.
- FCDO anticipates supporting approximately 10 – 12 AI use cases each funded up to approximately £11,800 each, with at least 50% led by women, through challenge funding, although suppliers are encouraged to propose alternative models.

The call is open to individuals, MSMEs, research institutions, private sector and civil society that are developing or validating AI-enabled solutions with clear pathways to adoption, deployment or commercial application.

KCJF will support the development, adaptation, validation and deployment of innovative AI-enabled solutions that address economic, social or public-sector challenges in Kenya. Eligible solutions must demonstrate clear innovation, local value addition or novel application of technologies such as machine learning, computer vision, natural language processing, predictive analytics, or intelligent automation. The programme will not support AI awareness campaigns, training programmes, prompt-engineering initiatives or the routine use of existing off-the-shelf AI tools without significant innovation or local adaptation.

What does success look like?

Success will be measured in #Number of pilots completed, #Number of AI use cases supported #Number of organizations adopting AI solutions, #Number of AI solutions successfully validated in operational environments, Number of AI solutions progressing from prototype/pilot to market, #Number of responsible AI assessments completed, Follow-on funding mobilized and Government or corporate deployments.

Workstream 3: Cluster Development Support: Bioscience Innovation and Bio-entrepreneurship as Flagship

Indicative Budget and duration: £200,000 over 12 months

Development Challenge

Despite strong scientific capability and a growing bioeconomy ecosystem, Kenya continues to face weak research-to-commercialisation pathways, fragmented coordination between ecosystem actors, high laboratory input costs, limited venture support and insufficient early-stage finance. These challenges constrain the development of commercially viable bioscience innovations and investment-ready ventures.

Objective

Strengthen partnerships between research institutions, private sector, local enterprises and funders to move innovations from laboratory/pilot to market through a cluster-based model. Operationalize Kenya's flagship Biosciences and Bioeconomy Innovation cluster anchored within a private-sector innovation platform, bio-entrepreneurship venture-building support, genomics and biomanufacturing capability development.

Indicative Supplier-Facing Functions

The supplier may be expected to:

- Support operationalisation of research and innovation clusters coordination arrangements.
- Administer catalytic challenge funds and milestone-based support for investable bioscience innovation ventures.
- Deliver applied bioscience and biomanufacturing capability development.
- Develop genomics capabilities and UK–Kenya Twinning.
- Facilitate UK–Kenya research, innovation and commercial partnerships.
- Mobilise investor engagement and market access opportunities.

Workstream 4: Women in Science Innovation and Technology Entrepreneurship

Indicative Budget and duration: £150,000 over 12 months

Development Challenge

While Kenya has invested heavily in research and innovation, a significant proportion of research outputs fail to progress into viable innovations, products, ventures or public-sector applications. Women remain underrepresented at the critical transition point between research, commercialisation and investment.

Objective

Support competitively selected women-led science and technology innovations to overcome the valley of death between innovation and commercialisation. Test and demonstrate a scalable model that strengthens pathways from research to innovation, investment, commercialisation and economic growth through support for women-led science and technology innovations.

Indicative Supplier-Facing Functions

The supplier may be expected to:

- Identify high-potential research translation opportunities.
- Design and deliver a Research Translation Lab.
- Support commercialisation planning and investment readiness.

- Administer catalytic challenge/ validation funds and milestone-based support for women-led science and technology innovations.
- Facilitate partnerships between researchers, industry and investors.
- Generate learning and policy insights on research translation.
- Address barriers affecting women innovators, including market access, financing, entrepreneurial capability and digital safety considerations.
- Deliver prevention and response interventions to digital safety/Tech Facilitated Violence Against Women and Girls risks.

Workstream 5: Technical Assistance and High-Level Convening for Science, Technology, Research and Innovation (STRI)

Indicative Budget and duration: £100,000 over 12 months

Development Challenge

Kenya and the UK invest significant effort in flagship science, technology, research and innovation engagements. However, the impact of these engagements is often reduced by fragmented planning, weak technical preparation, limited follow-through and insufficient translation of commitments into policy, programme and investment outcomes.

Objective

Provide deliverable-based assistance to strengthen science, technology, research and innovation coordination, policy engagement and high-level convening outcomes. Strengthen the effectiveness of STRI engagements as platforms for UK–Kenya collaboration, learning and knowledge exchange, policy engagement and investment mobilisation.

Indicative Supplier-Facing Functions

The supplier may be expected to:

- Design and support delivery of flagship STRI events.
- Provide technical assistance linked to event priorities.
- Develop policy, learning and knowledge products and follow-through mechanisms.
- Facilitate institutional partnerships and bilateral engagement.
- Support UK–Kenya dialogues and knowledge exchange.
- Produce event read-outs,
- Strengthen coordination across STRI ecosystem actors and initiatives.

Cross-Cutting Expectations

Across all workstreams, suppliers should demonstrate how their proposed approach will:

- Contribute to expanded innovative solutions and disruptive technologies.
- Increase private-sector investment mobilization and investment readiness.
- Improve enterprise performance and commercial outcomes.
- Support productive employment opportunities, particularly for young people.
- Strengthen innovation-to-investment pathways, including progression into FORGE and other investment platforms where appropriate.
- Apply robust approaches to safeguarding, inclusion, responsible innovation, risk management, monitoring, evaluation and learning.

4. Expected Outcomes and Illustrative Success Measures

Business Case outcome area	Illustrative EME success measures / expectations
Expanded innovative solutions and disruptive technologies	- Ventures, innovations or research outputs progress from idea, MVP or pilot stage towards scaling, adoption pathways or commercialisation. - Ventures, innovations or research outputs demonstrate improved market fit and investment readiness.

Increased private sector investment	- Ventures are better prepared for follow-on financing through private capital, angel networks, corporate venture capital or other investment mechanisms. - Suppliers demonstrate credible investor engagement, co-investment or handover pathways.
Improved enterprise performance	- Supported ventures demonstrate stronger business models, management capability, market access, revenue potential, productivity gains, operational readiness or sector partnerships.
Increased employment opportunities for young people	- Supported innovations and enterprises show credible pathways to productive employment, income generation or business growth.
Institutional and ecosystem strengthening	- Improved institutional capability and coordination between research institutions, government agencies, private sector, funders, intermediaries and UK-Kenya partnerships.
Learning and adaptive management	- Learning and knowledge outputs drive meaningful change, inform policy and strategic adaptation

5. Delivery Model and Commercial Parameters to Test

FCDO is seeking market views on how the interventions should be packaged and delivered. Suppliers may propose single-supplier, consortium, local delivery partner, specialist technical assistance, grant administrator, embedded capacity or hybrid models. Proposed models should explain how they preserve competition, avoid conflicts of interest, manage downstream partners, and ensure delivery at pace while maintaining FCDO assurance standards.

Area	EME expectation
Procurement / grant route	FCDO is testing market appetite and delivery options. The final route may include grant, consortium or hybrid arrangements depending on legal, commercial and programme considerations.
Downstream grants and subcontracting	Suppliers should advise how grant awards, due diligence, conflict-of-interest controls, milestone payments, safeguarding and reporting should be structured proportionately.
Budget realism	Suppliers should comment on whether the indicative envelopes are sufficient for the outcomes, assurance requirements, and delivery timelines.
Phasing	FCDO is interested in whether pipeline development, calls for proposals, grant disbursement, TA and institutional support should be sequenced, front-loaded or phased to manage delivery and 2027 election-cycle risks.
Performance management	Suppliers should propose lean performance reporting that demonstrates outcomes, VfM, risk management and learning without creating excessive reporting burden.

6. Supplier Capability Requirements

FCDO will avoid over-prescribing delivery models or requiring existing relationships with named institutions unless objectively necessary. Suppliers should be able to demonstrate capability through the lead organisation, consortium members, subcontractors, local partners or equivalent experience.

Capability area	Expectation
Essential capabilities	Programme or fund management; innovation ecosystem delivery; grant or challenge-fund management where relevant; financial management; risk management; safeguarding; fraud and conflict-of-interest controls; MEL; partner and stakeholder management; adaptive delivery.
Workstream-specific technical capability	Startup scaling and market access; AI validation and responsible AI; bioscience innovation and cluster development; research translation and women-led innovation; STRI technical assistance and high-level convening; embedded institutional strengthening.
Desirable capabilities	Kenya/East Africa delivery experience; UK-Kenya partnership brokering; investment readiness and private capital mobilisation; university/research commercialisation; gender and inclusion expertise; digital safety/TFVAWG awareness; public-sector engagement.
Consortia and local partnerships	Suppliers are encouraged to use consortia, local intermediaries, technical partners or specialist grant managers to strengthen delivery, inclusion, value for money and sustainability.

7. Governance, Risk Allocation and Assurance

FCDO will retain strategic oversight through established programme governance. Suppliers should expect regular performance, financial, risk and learning reviews; clear approval points; and compliance with relevant FCDO programme management, safeguarding, fraud, due diligence and reporting requirements.

Risk / dependency	Indicative owner	EME point to test
Supplier mobilisation, staffing and delivery quality	Supplier	Suppliers should propose realistic mobilisation and delivery arrangements.
Downstream grant management, due diligence and compliance	Supplier with FCDO oversight	Suppliers should propose proportionate systems for grant selection, due diligence, conflict of interest, milestone payments and reporting.
Government, institutional and regulator engagement	Shared	FCDO and suppliers should clarify dependencies, access requirements and decision points.
Political and 2027 election-cycle disruption	Shared	Suppliers should propose flexible sequencing, front-loading and adaptive management options.
Data protection, safeguarding, digital safety and responsible innovation	Supplier with FCDO oversight	Suppliers should define minimum controls, escalation routes and assurance mechanisms.
Investment and job creation attribution	Shared	Suppliers should avoid over-claiming and propose credible methods to track contribution to investment readiness, enterprise performance and jobs.

8. Value for Money Expectations

Suppliers should explain how their proposed approach would deliver economy, efficiency, effectiveness, equity and cost-effectiveness. Responses should address major cost drivers, management cost assumptions, grant administration costs, co-investment opportunities, use of existing platforms, private-sector leverage, and trade-offs between breadth, depth, speed, quality and assurance.

9. Early Market Engagement Questions

1. Is the proposed scope sufficiently clear and deliverable within the indicative funding envelopes?
2. Which intervention components are essential to achieving KCJF outcomes, and which should remain optional or supplier-designed?
3. What delivery model would offer the best balance between competition, speed, assurance, local ownership and impact?
4. What requirements could unintentionally limit competition or discourage Kenyan suppliers, SMEs or specialist consortia?
5. How should downstream grants, challenge funding, due diligence and assurance be structured proportionately?
6. What capabilities should be mandatory at a tender stage, and what capabilities could be delivered through partners or subcontractors?
7. What are the main cost drivers and minimum viable budgets for each intervention?
8. How should FCDO structure payment, milestones and reporting to incentivise outcomes without overburdening suppliers?
9. Which risks should sit with suppliers, FCDO, host institutions, government counterparts or be shared?
10. How can suppliers demonstrate contribution to investment readiness, enterprise performance and job creation without over-claiming attribution?
11. How should KCJF link support ventures into FORGE or other follow-on investment pathways?
12. What additional information would suppliers need before any formal procurement?

Annex A. Suggested Supplier Response Template

Response area	Supplier feedback requested
Organisation / consortium	Lead organisation, proposed partners, local delivery arrangements, relevant experience.
Delivery model recommendation	Preferred model and rationale, including grant/ consortium/TA/fund-manager options.
Scope feedback	Elements that are clear, unclear, essential, optional, over-prescriptive or missing.
Budget and cost drivers	Affordability assessment, minimum viable budget, management costs, grant costs, TA costs and assumptions.
Capability and competition	Mandatory versus desirable requirements; how to make the opportunity accessible and competitive.
Risk allocation	Risks suppliers can manage; risks FCDO/partners should manage; shared risks and dependencies.
VfM and innovation	How to improve economy, efficiency, effectiveness, equity, cost-effectivess and private-sector leverage.
Outcomes and measurement	Suggestions for credible indicators for innovation, investment readiness, enterprise performance and jobs.
Information gaps	Information required before formal procurement.
Alternative proposal	Any alternative packaging, sequencing or delivery approach FCDO should consider.