KONZA
Technopolis

Abridged Strategic Plan 2020

Introduction

- The 21st Century has seen world economies operate in a more integrated and almost borderless manner than ever before driven by technologies and facilitated to a great extent by ICT. In order to stay relevant and competitive and to attract foreign and local investment opportunities, nations are pursuing new innovative approaches.
- To keep a breast with the rest of the world Kenya is investing in the development of Konza Technopolis which is Africa's premier Smart city and will serve as a strategic area of innovation to drive the development of knowledge based economy.
- As a smart city, Konza Technopolis will incorporate the use of technology leveraging on human and social capital to develop a self sustaining city with an integrated urban information and communication technology (ICT) network that supports delivery of connected urban services to allow for efficient management of those services on a large scale. As a self sustaining technopolis, Konza will deploy the latest technologies including waste management, recycling, energy efficiency and a mix of renewable and on grid energy solutions.
- The Kenya Vision 2030 aims to create a globally competitive and prosperous nation with a high quality of life by 2030. As a vision 2030 flagship project, Konza technopolis will meet vision's objectives through; Increasing the country's human capacity especially in Science Technology Engineering and Mathematics (STEM); Diversifying Kenya's economy by providing an innovation ecosystem where technology businesses can be natured; Increasing the level of investment in R&D by attracting R&D centres and technology companies and Developing solutions to urban development through technology.
- Konza will be a sustainable, world class technology hub and major economic driver for Kenya. It will host state of the art facilities that will help implement various innovations from conceptualization to commercialization.

Konza Technopolis Legal Framework

The Government of Kenya established the Konza Technopolis Development Authority (KoTDA) as a special purpose entity to facilitate the development of the Konza Technopolis.

The Authority was established vide Legal Notice No. 23 of 2012 (the Konza Technopolis Development Authority Order)

This strategic plan identifies the Authority's vision, mission, values and strategic themes of focus for 2016-2020. It also identifies the strategic objectives, strategies and the outcomes

Foreword

The 21st Century has commenced on one side with serious challenges confronting the world on the economic and security fronts, and a realization that nations need to work smarter in order to grow and thrive. We are also living in extremely exciting times where technology and innovation are the major drivers of the global agenda. Kenya through its Vision 2030 and related flagship projects has fully embraced these elements as it strives towards being a middle income nation.

The Konza Technopolis Development Authority (hereinafter referred to as 'the Authority') was established to manage and oversee the implementation of the Konza Technopolis Master Plan. In this first strategic plan, the strategic direction and expected results are defined for 2016 to 2020.

This strategic plan outlines the building blocks that will be put in place as well as critical strategic objectives and outcomes to be pursued in the development and management of Konza Technopolis. Specifically, our vision is 'a global technology hub' while our strategic objectives are to:

- Develop and manage a world class smart city with a vibrant, safe and secure, healthy and sustainable ecosystem.
- Form partnerships with other actors in the National Innovation System, to recruit, attract, and develop high-end talent towards the development of technologically savvy business solutions through an innovation pipeline that attracts direct investment and results in the commercialization of smart and innovative solutions.
- Mobilize adequate and sustainable funding to meet the Authority's mandate and changing needs of the business community and residents.

Foreword (cont'd)

- Create a strong brand and image of Konza Technopolis that will attract, facilitate and retain investors.
- Ensure that the Authority has adequate institutional capacity to fulfill its mandate.

The strategic plan has been developed recognizing the critical steps that have been pursued towards the development of Konza Technopolis as a smart city including the establishment of MDP 1 and MDP 2, with the latter's activities and goals being integrated into the initial phase of this plan. It recognizes the key role played by Konza Technopolis as a Vision 2030 key flagship project, in contributing $1.3 billion annually to the Nation's GDP by 2020 and in creating jobs in a wide range of areas/sectors.

The strategic plan identifies risks that might negate the accomplishment of the outcomes and targets as established in the implementation matrix. It is our joint responsibility to monitor these risks and implement mitigation strategies as proposed. Finally, I would like to appeal to the Board, Management staff and all stakeholders to work together to successfully implement this strategic plan. I promise to provide the required leadership and guidance to make this a reality.

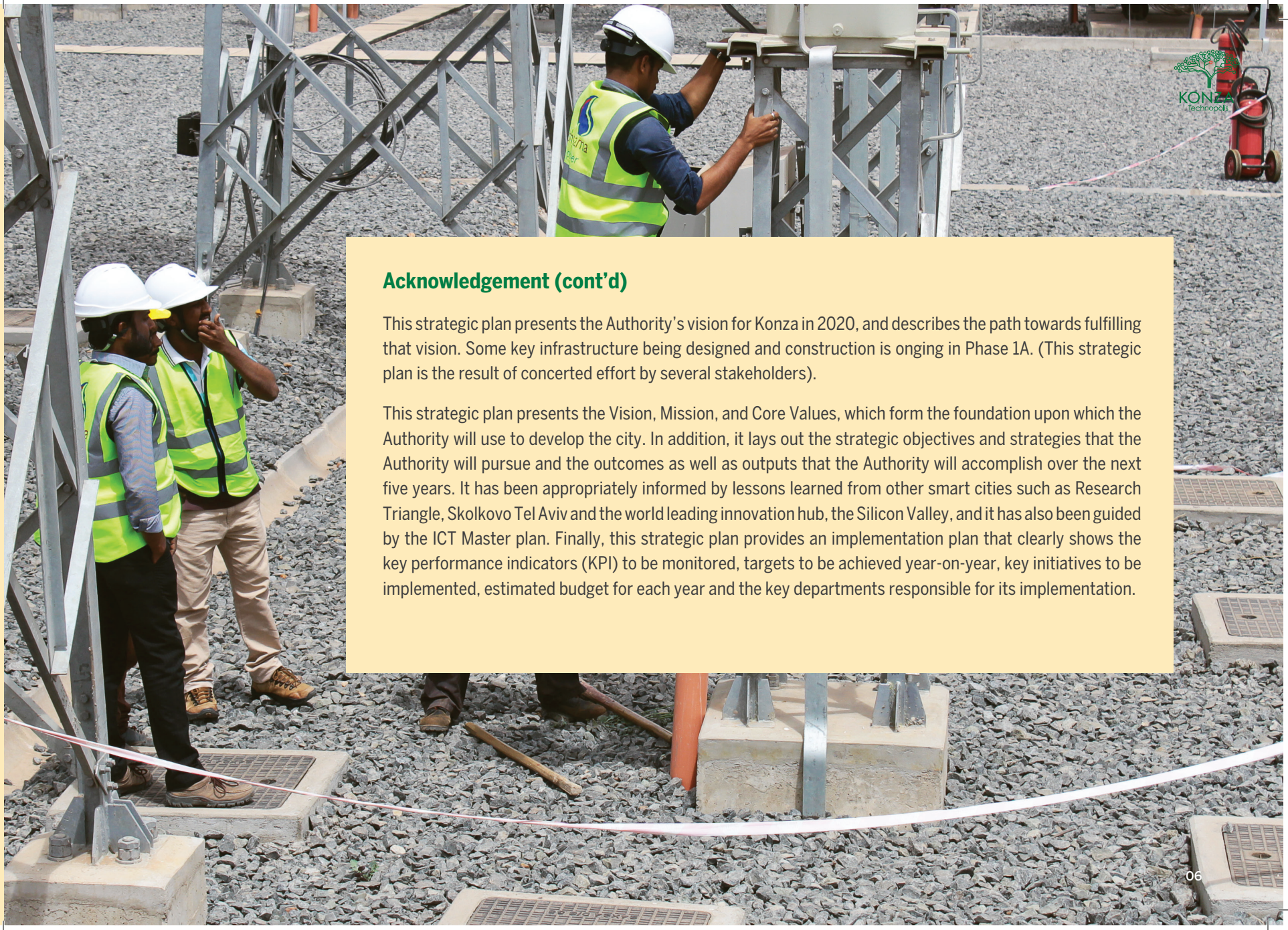
DR. REUBEN MUTISO
CHAIRMAN, BOARD OF DIRECTORS

Acknowledgement

The world is moving towards a new ‘knowledge-based economy’ or ‘knowledge society’, in which the role and significance of knowledge as an input to economic processes has fundamentally changed. Knowledge Economy has been described as the production and services based on knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advances.

Kenya has identified technology as a key enabler in attaining the goal and aspirations of vision 2030 which aims to transform Kenya into a knowledge and information-based economy.To achieve this the country needs to focus on greater reliance on intellectual capabilities, human capital, and research and development.

Research accelerates innovation and countries that support it have secured a favorable position in a knowledge-intensive and globally competitive marketplace. Konza will attract businesses, small and large as well as national and international. It will support and educate new and existing tech entrepreneurs. Further, the technopolis planned to have reliable infrastructure and connectivity, will foster a technology ecosystem that will bring together a diverse population to offer solutions to our local problems. I believe such solutions will be replicable to also address global challenges, creating a foundation for Kenya’s startups and SMEs to grow into multinationals. Innovative technologies incubated in research labs and businesses in Konza technopolis shall focus on key sectors of the economy, among them, Life Science, Engineering and ICT/ITES that will enhance local innovation, R&D, entrepreneurship and Technology enterprise formation culture.



Acknowledgement (cont'd)

This strategic plan presents the Authority's vision for Konza in 2020, and describes the path towards fulfilling that vision. Some key infrastructure being designed and construction is onging in Phase 1A. (This strategic plan is the result of concerted effort by several stakeholders).

This strategic plan presents the Vision, Mission, and Core Values, which form the foundation upon which the Authority will use to develop the city. In addition, it lays out the strategic objectives and strategies that the Authority will pursue and the outcomes as well as outputs that the Authority will accomplish over the next five years. It has been appropriately informed by lessons learned from other smart cities such as Research Triangle, Skolkovo Tel Aviv and the world leading innovation hub, the Silicon Valley, and it has also been guided by the ICT Master plan. Finally, this strategic plan provides an implementation plan that clearly shows the key performance indicators (KPI) to be monitored, targets to be achieved year-on-year, key initiatives to be implemented, estimated budget for each year and the key departments responsible for its implementation.

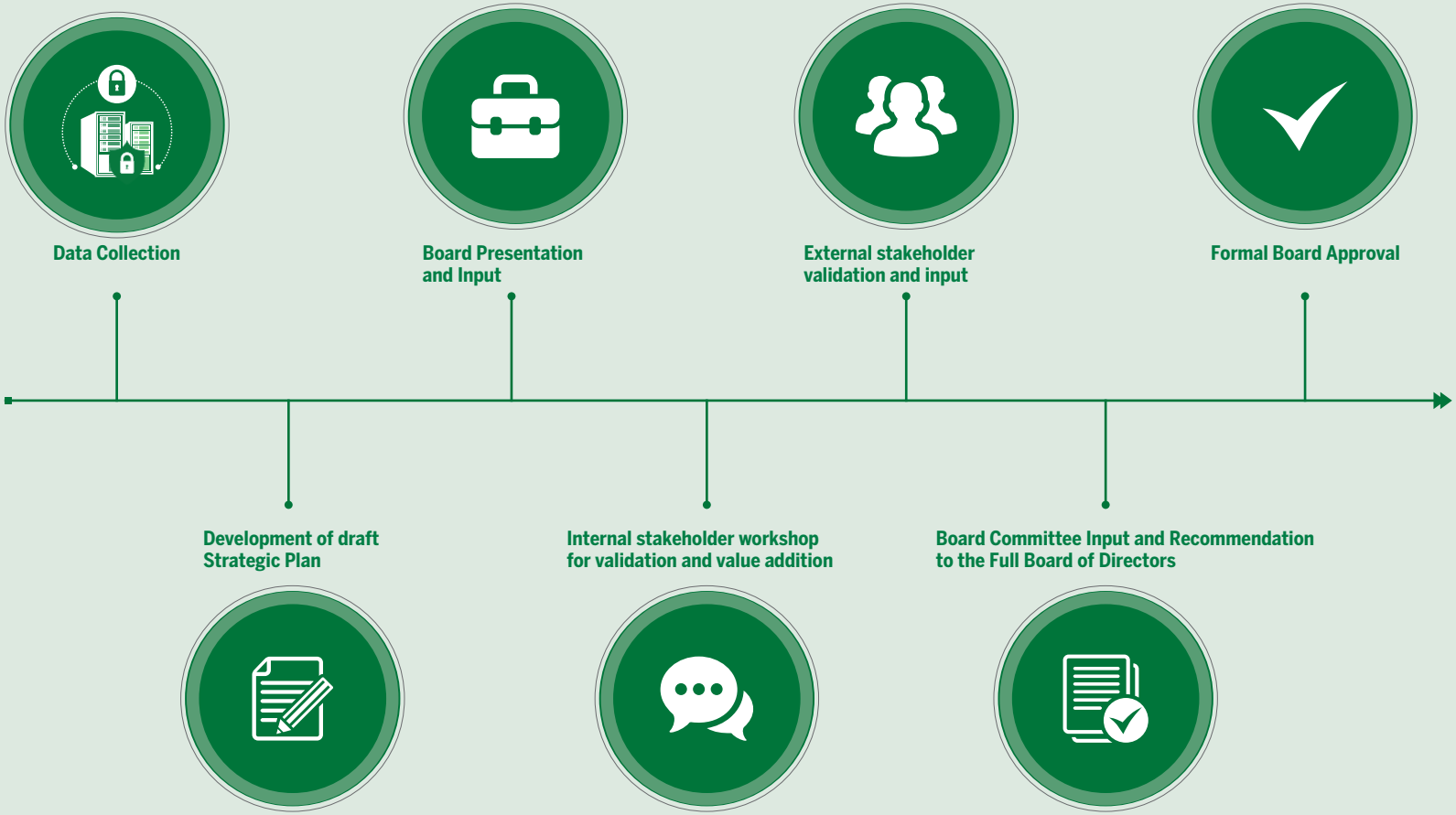
Acknowledgement (cont'd)

I would like to thank our board for its guidance and leadership, Master Development partner (MDP2) and in particluar professor Timothy Waema for input and consolidation of ideas in this strategic plan. Further I acknowldge the ministry of Information, Communications and Technology for providing the policy direction and The National Treasury for finacing. Finally, a big thank you to the strategic planning committee, the stakeholders, and KoTDA staff for working tirelessly to develop the final document.

I am confident that we, the Konza team will work together with our stakeholders to realize the Konza Technopolis dream. I am committed to stearing the team towards building Africa's Silicon Savannah and a global technology hub.

ENG. JOHN TANUI
CHIEF EXECUTIVE OFFICER

The Authority's Strategy development process involved seven major steps:



This document describes the KoTDA strategy for the period 2016-2020. The strategy is the building block of the Authority's work and will guide the development of the technopolis, allocation of financial and human resources, leadership of the authority and attracting investments.

KONZA
Technopolis

VISION

To be a global technology and innovation hub

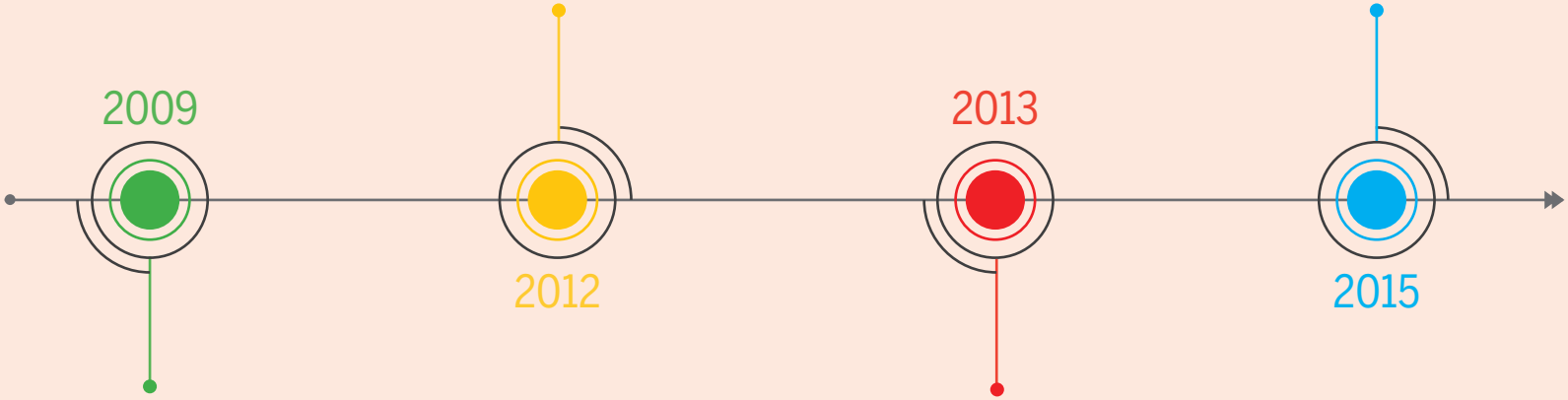
MISSION

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

History

Konza was inspired by the rapid development of global Business Processing Outsourcing (BPO) enterprises.

The global offshore BPO/ITES revenue was estimated at US$ 110 billion in 2010 and projected to reach US$ 300 billion by 2015. Statistics indicate that Africa only attracts about 1% of the total revenues accruing from this growing industry.



The Government of Kenya (GoK) hired the International Finance Corporation (IFC) as transaction advisors for the development of Konza Technopolis following the procurement of a 5,000 acre parcel of land at Malili Ranch, 60km south east of Nairobi along Mombasa-Nairobi A109 road.

The Ministry of Information, Communications and Technology retained a team of consultants led by New York City based HR&A Advisors, Inc. to prepare a detailed business plan and master plan for Phase 1.
The Technopolis will be developed as a public private partnership, in which the Government will take a minimal role, developing the public infrastructure and regulatory guidelines.

President Mwai Kibaki broke ground in Malili marking the commencement of the development of Konza Technopolis. In the same year the Board of the Konza Technopolis Development Authority (KoTDA) was appointed as a special purpose entity to facilitate the development of Konza.

KoTDA put out an Expression of Interest (EOI) for the development of the initial 24 parcels of land to be developed by private investors.

Konza Vision 2030 Objectives

It is a vision 2030 project with below objectives:

To position Kenya as a knowledge based economy and a preferred ST&I destination

To foster the growth of the technology industry in Kenya

To generate 17,000 direct jobs at the end of phase 1 and have 200,000 residents in the Technopolis at the end of 2030

To be a sustainable, world-class technology hub and a major economic driver for the nation, with a vibrant mix of businesses, workers, residents, and urban amenities

To develop world class infrastructure and technology to facilitate research, education and business through Information Technology Enabled Services (ITES), engineering and life sciences

To attract wide-spread investment from both local and international entities to establish themselves in the new smart city

Major Clusters

The key clusters identified to drive the growth of the Technopolis:

Information, Communication and Technology & Information Technology Enabled Services (ICT/ITES).
Is one of the fastest growing sectors with a high potential for job creation.

Life Sciences.
Will provide an enabling environment for scientific breakthroughs related to bioscience and new ways of working with health providers and industry.

Engineering.
This is a super cluster that encompasses energy, water, material sciences, electronics and related activities.

OUR CORE VALUES

Simplicity

Through innovation and guided by clarity and consistency, we deliver simple, elegant and quality solutions to our customers and stakeholders

Professionalism

We are a qualified, skilled and committed team striving to always deliver exceptional services to our customers, driven by independence, objectivity, best practices, always acting with integrity and keeping our promises while treating others with respect

Passion for excellence

We are passionate on delivering a better Konza to live, work and play through innovative and creative solutions inspired by outstanding services in time

Agility

We are a vibrant and dynamic team that identifies and responds to emerging issues in an ever-changing globally competitive environment, hence giving our customers a competitive edge

Collaboration

We optimize results by working smarter together. We multiply our contribution through partnerships and deliver with speed, trust and respect

KONZA
Technopolis
SWOT
Analysis

Key Strengths

Governance

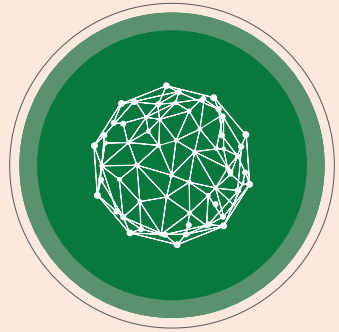
- Committed and multi-skilled Board of Directors
- Most policy documents have been drafted

Culture

- Versatility given the young age of KoTDA, its small size and the fact that it is starting on a clean slate

Human Resources

- There is diversity in the professions of staff the Authority has recruited.
- Quite a significant number of staff compliment
- Availability of diverse and experienced human resources from MDP2



Infrastructure

- Some work on development of the horizontal infrastructure has began
- Start of first building to house investors & provide services on-site

Key Weaknesses

Governance

- Lack of finalization of strategic plan to provide direction
- Need for additional leadership capacity building

Systems

- Lack of automation of finance and other organizational management processes
- Performance management systems not clearly defined

Culture

- Institutional culture has not yet formed – in the early stages of team formation

Financial

- Dependence on and inadequate GoK funding

Human Resources

- Challenges in attracting high-end talent in smart city development
- MDP2 needs to ensure knowledge transfer

Key Opportunities

Political

- Support from the Executive
- Existence of Governors' Consultative Forum for consultation, discussion, dissemination and buy-in

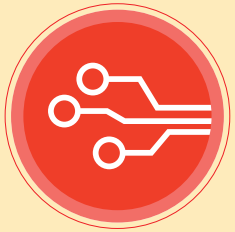
Economic

- Availability of innovation funds from different sources
- Significant presence of venture capitalists
- Engineering, Procurement, Construction & Financing (EPCF) provides an opportunity to secure funding
- Large population of educated, technologically savvy and innovative youth
- Kenya is an attractive hub for innovation, finance, diplomacy, connectivity, logistics, quality of life, etc.
- Availability of 5,000 acres of land
- Strategic location with easy access to other infrastructures
- Possible anchor tenancy of KAIST
- Large EAC regional market (over 100m people) Kenya and Nairobi as attractive FDI destinations

Social

- Increasing urbanization in Kenya and other countries
- Kenya has a large pool of youth (at least 70%)
- Strategic partnership with UN HABITAT

Key Opportunities



Technological

- Opportunities to use cutting-edge technologies in infrastructure development e.g. big data analytics, IoT, sensors, integrated urban development systems, etc.
- Increasing technological innovations e.g. MPESA, USHAHIDI, MKOPA, etc.

Environmental

- Possibilities to learn lessons from other smart cities

Legal and regulatory

- Existence of an enabling legal infrastructure, e.g. Constitution, Special Economic Zones Act, ST&I Act, Data Protection Act, etc.

Others

- Membership of smart city associations can give a profile
- Linkages with Smart Africa based in Rwanda

Key Threats

Political

- Inadequate awareness of the contribution of Konza Technopolis to national development in some arms of Govt
- Government priorities can change and
- the financial subsidy for Konza Technopolis withdrawn or reduced to a minimum
- Perception of wide-spread corruption
- Bureaucracy within GoK systems
- Lack of goodwill from neighboring counties
- Insecurity posed by Alshabab and other terrorist groups

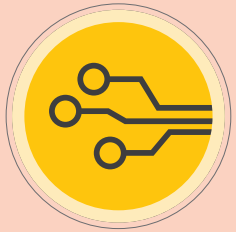
Economic

- Limited budgetary allocation by the Exchequer
- Competition from other countries that have been developing smart cities or technology parks
- Limited access to funds for scaling up small start-up businesses
- Investment risk given that Konza Technopolis is a green field
- Competition for FDI by others (Egypt, S. Africa & Morocco)

Social

- Poor public perception and high reputation risk given the time it has taken to have any tangible progress
- Unrealistic public expectations & limited information
- Inadequate control of infrastructure developments in the periphery of Konza Technopolis

Key Threats



Technological

- Technology is not set up as a stand-alone sector and therefore its contribution to GDP is difficult to stand out

Environmental

- Ground water available is insufficient to sustain a city
- Environmental concerns e.g. carbon emissions
- Challenges of climate change including drought and floods that might affect Konza given its location

Legal and regulatory

- Delayed enactment of the KoTDA Bill
- Inadequate legal and regulatory framework for land disposition
- Challenges associated with not having the land title

Strategic Themes

1. Technopolis Infrastructure & Operations

Strategic Objective

Develop and manage a world class smart city with a vibrant, safe and secure, healthy and sustainable ecosystem

Strategies

- Develop critical infrastructure master plans
- Develop design guidelines and detailed designs for all phase 1 projects
- Construct all phase 1 projects and auxiliary facilities in Konza
- Coordinate offsite infrastructure development
- Collaborate with Counties in regulating developments in the 10km buffer zone
- Prepare a framework for operation and management of completed infrastructure projects
- Enhance public safety and security
- Encourage a vibrant arts, culture and entertainment scene
- Improve environmental conservation
- Provide reliable, available and affordable utilities

Outcomes (+ outputs)

1. Completed phase 1 infrastructure development
   - Approved master plans for critical infrastructure
   - Approved design guidelines for all phase 1 infrastructural projects
   - Framework for operation and maintenance of completed infrastructure projects in place and in use
   - Increased parcel disposition
   - Framework for operation and maintenance of completed infrastructure projects in place and in use
   - Offsite infrastructure connectivity to Konza complete and functional
2. Improved smart city governance
   - Improved public safety and security
   - Increased spaces for and activities in arts, culture and entertainment
   - Improved environmental conservation
   - Reliability, availability and affordability of City utilities

Strategic Initiatives

- Benchmark with other smart cities
- Construct the first building at Konza
- Develop concept notes for all phase 1 projects
- Construct the first residential units and basic city support facilities for residents
- Prepare a buffer zone plan in collaboration with partners

2. Knowledge Economy and Innovation

Strategic Objective

In partnership with other actors in the National Innovation System, develop high-end talent and create smart innovative solutions and commercialize them

Outcomes (+ outputs)

1. Increased entrepreneurship and innovation
   - Increased ST&I partnerships
   - Increased innovations and enterprises
2. Enhanced contribution to economic development
   - Direct investment (DI)
   - Jobs
   - Gross regional product (GRP)

Strategies

- Provide a one-stop shop for ST&I actors

- Develop a Konza Technopolis online portal as a platform to provide electronic services
- Implement an information and digital literacy program for all residents
- Institutionalize an innovation pipeline, including a business accelerator for start-ups to scale
- Provide a platform for entrepreneurs to exploit the smart city infrastructure to innovate new products/services using
- Provide data centre services
- Leverage on local innovation funds to scale start-up and small businesses based in Konza
- Build a platform for collaboration in knowledge economy and innovation

Strategic Initiatives

- Develop the Konza innovation pipeline development program
- Create a virtual Konza innovation ecosystem

- Setup a Konza techology transfer and commercialization office
- Set up KAIST and quality local universities as key educational anchor tenants in Konza
- Develop a linkage program with selected global innovation centres (e.g. Skolkovo (Russia), Cyberjaya (Malaysia), Yachay (Ecuador) & Research Triangle (USA)
- Provide a platform for launch of businesses and products
- Establish a centre for knowledge economy and innovation for collaboration between industry players, education institutions and R&D centres
- Establish a foundation for supporting innovations
- Attract the hosting of e-solutions (e.g. e-Government services) in Konza

3. Financing

Strategic Objective

Mobilize adequate and sustainable funding to meet the Authority's mandates and changing needs of the business community and residents

Outcomes (+ outputs)

1. Enhanced financial sustainability
   - Increased funds for infrastructure projects
   - Increased funding of operations
   - Increased endowments for innovations from the innovation fund
   - FDI

Strategies

- Develop and implement a resource mobilization strategy

- Lobby for enhanced Exchequer funding
- Implement a strategy to unlock alternative financing options, including infrastructure bonds, PPP diaspora funding, naming rights by philanthropists, and development partners
- Generate revenue from parcel disposition and services offered by Konza Technopolis Authority
- Establish, manage and administer an innovation fund to support the Konza innovation ecosystem

Strategic Initiatives

- Develop the Konza financial sustainability and project financing strategy
- Engage financial services sector for funding, e.g. unclaimed assets and pension funds
- Benchmark with other ICT parks with diverse funding strategies
- Develop projects portfolio fit for PPP
- Funding road shows for PPP and FDI projects

4. Marketing & Business Development

Strategic Objective

Create a strong brand and image of the Konza Technopolis that will attract, facilitate and retain investors

Outcomes (+ outputs)

1. Increased attractiveness of Konza Technopolis
   - Sustained higher occupancy in Konza Technopolis
   - Increased visitors to Konza Technopolis
   - Increased partnerships and collaborations
   - Increased investor attraction
2. Enhanced contribution to economic development
   - Increased direct investment (DI)
   - Increased jobs
   - Increased Gross Regional Product (GRP)
3. Increased acquisition of investors
   - Ease of doing business in Konza
   - Land parcel disposition
   - License issuance

4. Marketing & Business Development (cont'd)

Strategies

- Develop a marketing plan to firmly establish Konza as an investment destination
- Develop and implement PR, communication and digital strategies
- Develop and implement a brand development plan
- Develop and implement a marketing plan and attract quality Research, Education and Commercial partners in Information Technology Enabled Services (ITES), Life Sciences and Engineering
- Develop new partnerships and brand assets and sponsorships with revenue generation potential
- Lease land to investors in accordance with the Konza Technopolis parcel disposition policy and all applicable laws for construction of vertical municipal building structures
- Develop, monitor and evaluate stakeholder relationships
- Develop and implement an anchor investor program

Strategic Initiatives

- Develop and implement a comprehensive stakeholder management program
- Develop a business model
- Organize innovation events in Konza (e.g. expos, awards programs, conferences, youth camps, etc.)
- Develop an investor outreach program, including youth and start-up focused projects and promotion tours nationally and internationally
- Establish and operate a Small Enterprise Support Centre to develop and provide business advisory services to start-ups and small businesses
- Develop an effective incentives scheme for all investors, balancing between domestic and foreign investments
- Establish a regulatory and business one-stop-shop for investors
- Develop and implement the land disposition process and licensing scheme

5. Institutional Development

Strategic Objective

Ensure that the Authority has adequate institutional capacity to fulfill its mandate

Outcomes (+ outputs)

1. Enhanced institutional capacity to develop and manage Konza Technopolis
    - Enhanced human capacity
    - Institutionalised corporate culture
    - Improved efficiency and effectiveness
    - Increased institutional performance
    - Enhanced attraction and retention of top talent

Strategies

- Institutionalize core values
- Review organizational structure and right-size staffing
- Develop leadership and human resource capacities
- Recruit and retain top talent
- Review staff terms and conditions of service
- Develop all key policies
- Automate core business processes
- Implement a performance management system
- Lobby for enactment of the Konza Technopolis Bill

Strategic Initiatives

- Organize forums for team building and communication of core values
- Cascade performance contracting to staff
- Develop and implement an induction program for all staff and Directors
- Develop a continuous staff training program
- Develop and implement service charter at all levels
- Develop and implement an internship program

Finally

Your strategic posture...

Strategy is less about grandiose, brilliant plans...
...and more about doing a few things extremely well

Strategy Execution

Is the responsibility that makes or breaks executives

Alan Branche and Sam Bodley-Scott

Notes

Notes

Thank you

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