

Call for concept notes: private sector development and business climate enhancement in Kenya

Maximum amount per proposal: KES 150.000.000 (equivalent in EUR is 1 million)

Duration: maximum of 3 years

Program focus areas: 1) reducing regulatory and administrative constraints; and 2) enhancing market entry and expansion.

1. Background and Policy Context

Under the 2026–2029 Multi-Annual Country Strategy for Kenya, the Netherlands has identified bilateral trade and economy as a central pillar of its engagement. The strategy pursues a dual objective: strengthening Dutch earning capacity through expanded market access and investments, while advancing inclusive economic growth in Kenya. Achieving these objectives requires a materially improved business and investment climate in which structural barriers to trade and investments are systematically addressed.

Kenya and the Netherlands have strong economic ties. The Netherlands consistently ranks as one of Kenya's top export destinations globally and the leading market within the European Union. Kenyan exports to the Netherlands have averaged between USD 700 million and USD 1 billion annually in recent years, with horticultural products as the primary driver. This trade relationship generates critical foreign exchange revenues for Kenya and sustains substantial employment across agricultural value chains and other sectors. Imports from the Netherlands into Kenya have grown steadily, reflecting a deepening and increasingly reciprocal trade relationship. In addition, over 150 Dutch companies currently operate in Kenya across multiple sectors, with approximately 100 holding membership in the Netherlands Business Hub Kenya. These firms contribute to economic growth, job creation, technology and knowledge transfer. Various Dutch development finance and investment institutions are active in Kenya across various sectors: water, energy, health, logistics and agriculture.

It is therefore not surprising that over the past decade, the Netherlands has made sustained policy and technical contributions to Kenya's business environment. Key initiatives include supporting the development of a single window project with KenInvest and implemented by UNCTAD, supporting the Warehouse Receipt System through IFC and supporting the Business Registration Services (BRS) to simplify and reduce the costs of business through the development of an online registration service.

Despite a dynamic and entrepreneurial private sector and successes registered in the business environment, structural bottlenecks in the business climate continue to constrain economic growth in Kenya. In recent months, research has been conducted to identify the main business climate issues facing Dutch companies in the country.

Therefore, this call invites concept notes for initiatives that contribute to improving the business climate in Kenya, with a focus on enabling sustainable and inclusive private sector development.

This call is aligned with strategic and policy documents including the Netherlands' Market Development policy, which aims to foster well-functioning markets, support entrepreneurship, and mobilize private investment in emerging markets. Central to this approach is addressing systemic constraints that limit business growth and job creation.

2. Objectives

The overall objective of this call is to identify interventions that support a conducive business climate to strengthen and increase mobilization of Netherlands foreign direct and private investments, and to contribute to sustainable economic growth and job creation in Kenya.

Specific objectives:

- A. To reduce systemic regulatory barriers to private sector development; and
- B. To enhance market integration, competitiveness, and growth potential (especially for SMEs).

3. Focus areas

Based on its ongoing engagement with private sector actors and market stakeholders, the Embassy of the Kingdom of the Netherlands in Nairobi has identified two key constraints that continue to limit private sector growth and investment in Kenya including doing business regulatory and administrative costs and structural market entry and expansion barriers by SMEs and private sector actors.

A. Reducing the regulatory and administrative constraints

- Objective: *reduce systemic regulatory barriers to private sector development.*

Examples of issues include, but are not limited to:

- Unpredictability of policies and regulations;
- Tax policy volatility and regulation;
- Delays in VAT refunds;
- Overlapping tax incentives, levies, fees and charges;
- Persistence of non-Tariff Barriers (NTBs);
- Delays in delivery of services to businesses such as registration, licenses, permits, pending bills;
- Lack of transparency and efficiency of government procedures.

Although, these issues are linked to regulations and policies, this call is not looking for lobby & advocacy projects, but rather for practical and innovative solutions that will simplify processes to make these more time- and cost efficient. Applications for this focus area should be in collaboration with a government entity. Eligible interventions therefore include, but are not limited to:

- Digitalizing business registration, licensing, and compliance processes and procedures to ease market entry, reduce costs and turnaround times.
- Piloting approaches and implementing policy and regulatory reforms that simplify and standardize compliance requirements.
- Strengthening procurement frameworks and introducing reforms that enable broader participation by local and international firms in public tenders.
- Improving government policy, legal, and operational processes to ease doing business and attract FDI.
- Strengthening AML/CFT policy, oversight, and mandates to enhance financial sector transparency and competitiveness.

B. Enhancing market entry and expansion

- **Objective:** enhance market integration, competitiveness, and growth potential (especially for SMEs).

Examples of issues include, but are not limited to:

- Fragmented value chains and weak linkages between SMEs and larger buyers;
- High costs and risks associated with entering new markets, including export markets;
- Limited access to structured distribution channels and procurement opportunities;
- Lack of standardization and quality assurance mechanisms required for higher-value markets.

Eligible interventions include, but are not limited to:

- Establishing or strengthening market linkages between SMEs and buyers;
- Developing intermediation models that aggregate SMEs and facilitate market access;
- Creating transaction systems or platforms that reduce barriers to market participation.

4. Criteria

- A. Organizations can apply as a consortium or as a single organization. Applicants can be a civil society organization, private sector, international organization, or a knowledge institute.
- B. The budget per proposal should not exceed KES 150.000.000 (equivalent in EUR: 1.000.000) and the maximum duration of a program is 3 years.
- C. The lead applicant should have a demonstrable track record in implementing comparable programs.
- D. Indirect costs including overhead should be less than 15% of the total budget.
- E. Companies or for-profit organizations are only eligible as applicant when applying non-commercial rates.
- F. Proposals can either address one issue described under focus areas in section three, or both.
- G. Organizations can submit only one proposal. However, an organization is allowed to be part of multiple consortiums.

5. Concept note template

The concept note should be written according to the template below and should not exceed 3000 words (excluding annexes). Selected organizations/ consortiums will be asked to submit a full proposal.

	Required section	Description
1	Relevance and Problem definition	Description of the problem to be addressed (based on one or two of the issues). 700 words
2	Intervention logic and effectiveness	Description of how the problem described in section two will be addressed through the proposed intervention. This should include the results areas. Activities can be described in the full proposal. This part should also include an analysis of how the intervention will benefit marginalized groups, women and youth. 1000 words

3	Additionality	Table with overview of existing programs addressing the same issue, including focus areas and a description of how the proposed intervention differs, leverages, links and/or synergizes on those interventions. 700 words
4	Systemic approach	Describe the potential for systemic change through the proposed intervention logic. 350 words
5	Sustainability	Describe the likelihood of continued impact beyond the grant period. 350 words
Annex 1	Budget	Description of budget on headlines. Budget should differ between direct and indirect costs. There should be a clear link between budget and content (e.g. budget per results area).
Annex 2	Organization quality	Short description of the various consortium members. This section should include a brief description of the members' track-record.

6. Selection criteria and scoring methodology

Concept notes will be evaluated and ranked. Only the highest-scoring applicants will be invited to submit full proposals. Full proposals will undergo a more detailed technical and financial assessment.

A. Evaluation approach

Applications will be evaluated using a weighted scoring system. Each criterion will be scored on a scale of 1 to 10:

- 1 = Very weak
- 10 = Excellent

Scores will be weighted according to the criteria below.

B. Scoring grid

Criterion	Description	Weight
Relevance and Problem Definition	Clarity and accuracy in identifying a specific market constraint	20%
Intervention Logic and Effectiveness	Strength and feasibility of the proposed solution	20%
Additionality	Extent to which the intervention addresses a market failure and would not occur without support	15%
Systemic approach	Potential for systemic change	15%
Organization Quality	Strength and complementarity of partners (including a relevant track record)	10%

Sustainability	Likelihood of continued impact beyond the grant period	10%
Budget	Cost-effectiveness. Organizations that can demonstrate an additional contribution (own contribution, or from other sources) will score higher.	10%
Total		100%

C. Minimum threshold

To be considered for shortlisting a minimum score of 6 (Adequate) is required for:

- Relevance and Problem Definition
- Intervention Logic and Effectiveness
- Additionality

Proposals scoring below 6 on any of these criteria will not be considered further. The overall weighted score must be at least 6 out of 10.

7. Submission timelines

Submissions should be send to nai-ea@minbuza.nl no later than 19 July 2026, 11:59pm. Submission received after this deadline will not be considered. Questions can be sent to the same email address before the 29th of June. A document containing all questions and answers will be uploaded on the website on 3 July 2026.

Full timeline:

Deadline concept note submission	19 July 2026
Selection of concept notes finalized, selected organizations/ consortiums will be asked to submit full proposal	7 August 2026
Deadline full proposal submission	15 September 2026
Final decision on full proposals	31 October 2026
Contract signed	November 2026
Start date	1 January 2027

Annexes

- [Foreign Policy Note](#)