



EVI-SICEE RESEARCH BRIEF No. 06
**Strengthening Business Incubation Services
to Enhance Firm Growth among Women and
Youth-Led Clean Energy Enterprises in Kenya**

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Key Messages

- **Business incubation centers are critical enablers of inclusive enterprise growth:** They provide targeted services such as mentorship, training, access to finance, networking, and market linkages that enhance the capacity of women and youth-led clean energy enterprises to grow and remain sustainable.
- **Clean energy enterprises face unique challenges that require tailored incubation services:** Women and youth entrepreneurs in this sector often lack adequate financial resources, technical expertise, and exposure to market opportunities.
- **Supporting women and youth-led clean energy enterprises aligns with Kenya's development goals:** These enterprises contribute to job creation along different segments of the clean energy value chains.
- **Policy support and targeted investment in business incubation centers are necessary:** Strengthening incubation centers, particularly in underserved counties, will foster enterprise growth, expand clean energy access, and ensure equitable participation of women and youth in Kenya's green economy transition.



1.0 Introduction

Business incubation centers (BICs) have emerged as strategic policy instruments for driving innovation, entrepreneurship, and inclusive economic growth. These centers provide structured support systems including mentorship, capacity building, access to finance, networking opportunities, and market linkages that equip start-ups and small enterprises with the tools needed to survive, grow, and remain competitive in rapidly changing markets. In contexts where entrepreneurship is viewed as a catalyst for sustainable development, the role of BICs is especially critical.

However, without robust incubation policies and adequate support frameworks, BICs may fall short in addressing the persistent structural barriers faced by women and youth entrepreneurs, particularly in high potential but under-resourced sectors such as clean energy. This gap not only constrains enterprise growth but also undermines Kenya's broader green economy objectives, job creation targets, and inclusive development agenda (OECD, 2021; UNDP, 2022).

Kenya is at a pivotal moment where it must simultaneously harness its vast clean energy potential and ensure equitable participation of marginalized groups in this transformative sector. Women and youth-led clean energy enterprises often encounter intertwined

challenges ranging from limited technical expertise and insufficient financing to restricted market access and inadequate policy support (AfDB, 2021). Business incubation centers, through their tailored services, provide a unique avenue to mitigate these constraints by enabling knowledge transfer, enterprise development, and strategic partnerships. Their role becomes even more significant in light of Kenya's commitment to the Sustainable Development Goals (SDGs), the Bottom-Up Economic Transformation Agenda (BETA), and Vision 2030, all of which highlight clean energy adoption, innovation, and inclusive enterprise growth as central to long-term national development (Government of Kenya, 2023).

Nevertheless, the effectiveness of BICs remains uneven. Many incubation programs do not fully align their services with the specific needs of women and youth-led enterprises, particularly in addressing issues of firm size and scalability. Smaller enterprises, while highly innovative, are often more vulnerable to market shocks, financing constraints, and operational bottlenecks than relatively larger firms. These structural differences significantly shape how enterprises leverage incubation support. This policy brief, therefore, explores the intersection between business incubation services and firm size, examining their combined influence on the growth trajectories of women and youth-led clean energy enterprises in selected counties in Kenya. The analysis provides actionable insights to strengthen incubation models that promote equitable access, enterprise resilience, and the scaling of clean energy innovations ultimately contributing to Kenya's inclusive and sustainable economic transformation.

2.0 Findings

2.1 Function of Capacity Building

The study found that capacity building within business incubation centers significantly enhanced the growth of women and youth-led clean energy enterprises in selected counties of Kenya.

Through structured training, participants acquired essential business management and technical skills, which improved their ability to run enterprises effectively. Beyond technical competencies, the program strengthened leadership, communication, and interpersonal skills, enabling entrepreneurs to make strategic decisions, inspire teams, and engage with stakeholders confidently. The inclusion of sector-relevant certifications added legitimacy to enterprises, improving access to markets, finance, and partnerships. Importantly, practical training in areas such as digital marketing, inventory management, and clean energy systems translated into operational efficiency, improved customer engagement, and stronger business performance. These findings demonstrate that capacity building is not only foundational for enterprise growth but also central to the long-term sustainability of clean energy ventures.

2.2 Function of Financial Support

Financial support was found to be a critical enabler of enterprise growth. The incubation program provided seed capital that helped women and youth overcome entry barriers in the clean energy sector. In addition, incubation centers facilitated access to equity investment and loan facilities, with varying levels of success. Equity investments were particularly valuable as they combined capital with governance support, mentorship, and strategic partnerships, thereby strengthening enterprise growth trajectories.

However, challenges were observed in loan accessibility and utilization, with some entrepreneurs struggling to translate credit into tangible expansion. This highlights the need for tailored financial solutions and integrated support that combines credit with advisory services. Importantly, the study found that financial literacy training and advisory services offered through the incubation centers were highly effective, equipping entrepreneurs with the skills to manage funds responsibly, plan strategically, and attract investors. Thus, financial support, when paired with guidance, creates an enabling environment for enterprise scalability and resilience.

2.3 Function of Coaching

Coaching emerged as a transformative incubation function, providing tailored guidance that supported strategic planning, problem-solving, and sector-specific business growth. The study found that coaches helped entrepreneurs refine their business models, strengthen operations, and identify market opportunities, leading to measurable improvements in enterprise performance. Unlike general training, coaching addressed the unique challenges of the clean energy sector, offering entrepreneurs access to industry experts who provided specialized mentorship.

This personalized approach enabled participants to overcome operational bottlenecks, improve marketing strategies, and enhance profitability. Moreover, long-term coaching relationships established through the program created lasting support networks that continued beyond incubation, contributing to sustained growth. Coaching also facilitated connections with stakeholders and fostered collaboration, thereby expanding business networks and opportunities. These findings highlight coaching as a vital component of incubation, ensuring that entrepreneurs are not only equipped with skills but also supported in applying them effectively to achieve sustainable impact.

2.4 Function of Exchange Visits

Exchange visits were found to provide valuable opportunities for peer learning, networking, and exposure to best practices. The study revealed that these visits enhanced collaboration among entrepreneurs, fostered knowledge exchange, and inspired the adoption of innovative business models and technologies. By observing successful enterprises and engaging with peers, participants gained insights that could be adapted to their own contexts. Practical skills acquired during these visits contributed to improved service delivery, efficiency, and productivity in several enterprises. Importantly, exchange visits facilitated the formation of strategic partnerships that opened access to finance, markets, and technical expertise. These collaborations supported enterprise scaling and strengthened resilience in competitive markets. While the impact varied across participants, exchange visits consistently emerged as an important platform for building social capital, stimulating innovation, and expanding market linkages.

3.0 Discussion

Business incubation centers are instrumental in strengthening the competitiveness and sustainability of women and youth-led clean energy enterprises. The incubation functions of capacity building, financial support, coaching, and exchange visits each play a distinctive yet complementary role in enhancing entrepreneurial growth.

3.1 Capacity Building

Capacity building is the foundation of effective business incubation. It equips entrepreneurs with essential skills in areas such as financial management, marketing, governance, and compliance with clean energy standards. For women and youth, who often face systemic barriers to accessing such training, capacity building levels the playing field.

Beyond technical knowledge, incubation centers provide exposure to policy frameworks, energy sector dynamics, and market intelligence, ensuring that enterprises align with both customer needs and regulatory requirements. For instance, training in product certification and quality assurance enables entrepreneurs to produce clean energy solutions that meet safety and efficiency standards, thereby enhancing customer trust.

Importantly, capacity building fosters innovation and adaptability. By teaching entrepreneurs to embrace digital tools, climate-smart technologies, and emerging market trends, incubation centers strengthen their ability to design scalable business models. This, in turn, improves the resilience of enterprises in a competitive and rapidly evolving clean energy landscape.

3.2 Financial Support

Access to finance remains one of the most significant bottlenecks for women and youth entrepreneurs. Incubation centers play a critical role in bridging this financing gap by linking enterprises to affordable credit, impact investors, and grant opportunities. In addition to direct funding, incubators build entrepreneurs' capacity in financial literacy, budgeting, and investment readiness, which increases their credibility with financial institutions.

Financial support also enables enterprises to overcome capital-intensive barriers common in the clean energy sector, such as the cost of technology acquisition, distribution channels, and customer financing schemes. For example, solar companies often require upfront capital to procure equipment, while customers may prefer to pay in installments. Access to blended financing mechanisms provided by incubators allows such businesses to implement pay-as-you-go (PAYG) models, widening access to clean energy products among low-income households.

In the long term, financial support not only fuels enterprise expansion but also enhances sustainability by reducing dependency on donor-driven funding. With proper financial backing, women and youth-led enterprises can transition into self-sustaining ventures capable of scaling nationally and internationally

3.3 Coaching

Coaching is a highly personalized function of incubation that goes beyond general training. By pairing entrepreneurs with experienced mentors, industry practitioners, and subject-matter experts, incubation centers provide tailored support that addresses specific challenges faced by each enterprise.

For women and youth entrepreneurs, coaching is particularly empowering as it builds confidence, nurtures leadership skills, and provides guidance in navigating cultural, institutional, and market-related barriers. Coaches also help entrepreneurs refine their business strategies, identify growth opportunities, and mitigate risks in areas such as technology adoption, customer acquisition, and market diversification.

Moreover, coaching fosters resilience and adaptability. Through continuous mentorship, entrepreneurs develop the ability to anticipate policy shifts, withstand market shocks, and seize emerging opportunities. This function also ensures accountability, as regular interactions with mentors encourage entrepreneurs to set clear goals, track progress, and evaluate performance. Ultimately, coaching enhances the strategic vision and long-term sustainability of women and youth-led clean energy enterprises.

3.4 Exchange Visits

Exchange visits broaden the horizons of entrepreneurs by offering opportunities for experiential learning and peer-to-peer knowledge sharing. Unlike classroom-based training, exchange visits expose entrepreneurs to real-world examples of successful enterprises, innovations, and business models in clean energy.

For women and youth, exchange visits break isolation by connecting them with broader ecosystems of innovators, policymakers, and financiers. This networking enhances collaboration and creates opportunities for joint ventures, resource mobilization, and technology transfer. For example, an entrepreneur exposed to successful mini-grid models in one county may replicate or adapt the approach to meet energy needs in underserved areas elsewhere.

Exchange visits also serve as a catalyst for innovation. By witnessing practical demonstrations of emerging technologies, financing models, and customer engagement strategies, entrepreneurs gain insights that they can contextualize and apply in their own enterprises. Additionally, cross-cultural learning builds soft skills such as adaptability, cross-border negotiation, and strategic partnerships, which are vital for scaling clean energy enterprises regionally and globally.

4.0 Conclusion

The study highlights the pivotal role of incubation functions in accelerating the growth of women and youth-led clean energy enterprises in selected counties of Kenya. Capacity building emerged as a cornerstone for enterprise development, equipping entrepreneurs with critical business management, leadership, and technical skills. The training not only enhanced operational efficiency but also improved legitimacy through sector-relevant certifications. As a result, entrepreneurs were empowered to strengthen customer engagement, improve productivity, and access markets more effectively, thereby ensuring long-term sustainability.

Financial support was also found to be a crucial enabler of enterprise success. Access to seed capital, equity investments, and financial literacy training provided entrepreneurs with the resources and knowledge needed to overcome entry barriers and expand their operations. At the same time, the challenges experienced in credit utilization emphasized the need for tailored financial solutions that combine capital access with advisory services. This finding underscores the importance of linking funding with strategic financial guidance to foster resilient and scalable clean energy enterprises.

The study further established that coaching served as a transformative element within the incubation process. Personalized mentorship and sector-specific guidance enabled entrepreneurs to refine their business models, strengthen operations, and seize emerging opportunities. By addressing unique challenges in the clean energy sector, coaching created pathways to sustainable growth and innovation, while long-term mentoring relationships ensured continued access to expert insights and collaboration beyond the incubation period.

Finally, exchange visits were found to be powerful drivers of innovation and collaboration. By exposing entrepreneurs to peer learning and best practices, these visits enhanced their ability to adopt innovative business models, improve service delivery, and form strategic partnerships. They also fostered social capital and expanded market linkages, enabling enterprises to thrive in competitive markets.

Overall, the findings affirm that incubation programs, through capacity building, financial support, coaching, and exchange visits, are central to strengthening the resilience, scalability, and long-term success of women and youth-led clean energy enterprises in Kenya.

5.0 Recommendations

5.1 Broaden the scope of business incubation services beyond enterprise creation.

Incubation centers should integrate innovation support that goes beyond traditional business development, encompassing clean energy-specific technologies, market access, and sustainability practices. Doing so would strengthen the role of incubators in addressing development goals such as green transition and inclusive economic empowerment.

5.2 Focus on system-level capability building

Stakeholders including policymakers, county governments, and private sector partners should co-design training programs for women and youth entrepreneurs, emphasizing clean energy innovation, policy compliance, and market resilience. A co-learning approach can ensure incubation impacts extend beyond individuals to transform local entrepreneurial ecosystems.

5.3 Design training and coaching tailored to firm size and capacity needs

Incubation centers should customize their programs according to the growth stage of enterprises whether micro, small, or scaling-up. This includes offering technical training for startups, strategic management skills for growing firms, and internationalization support for export-ready clean energy businesses.

5.4 Improve financial access mechanisms.

Business incubation centers should collaborate with financial institutions to create blended finance models such as grants, affordable loans, and impact investment opportunities that specifically target women and youth-led clean energy enterprises. This can mitigate funding constraints that often hinder growth and scalability.

5.5 Enhance exchange visits and peer learning

County-based incubators should institutionalize structured exchange programs that connect women and youth-led enterprises across regions and with global clean energy hubs. Such visits foster peer-to-peer learning, innovation transfer, and market expansion opportunities while reducing regional disparities.

5.6 Deepen gender and inclusivity integration in incubation models

Incubators must embed gender-sensitive policies and practices by addressing barriers such as cultural constraints, digital access, and financing gaps. Inclusivity frameworks should ensure that women and youth entrepreneurs are not only participants but also decision-makers in clean energy innovation ecosystems.

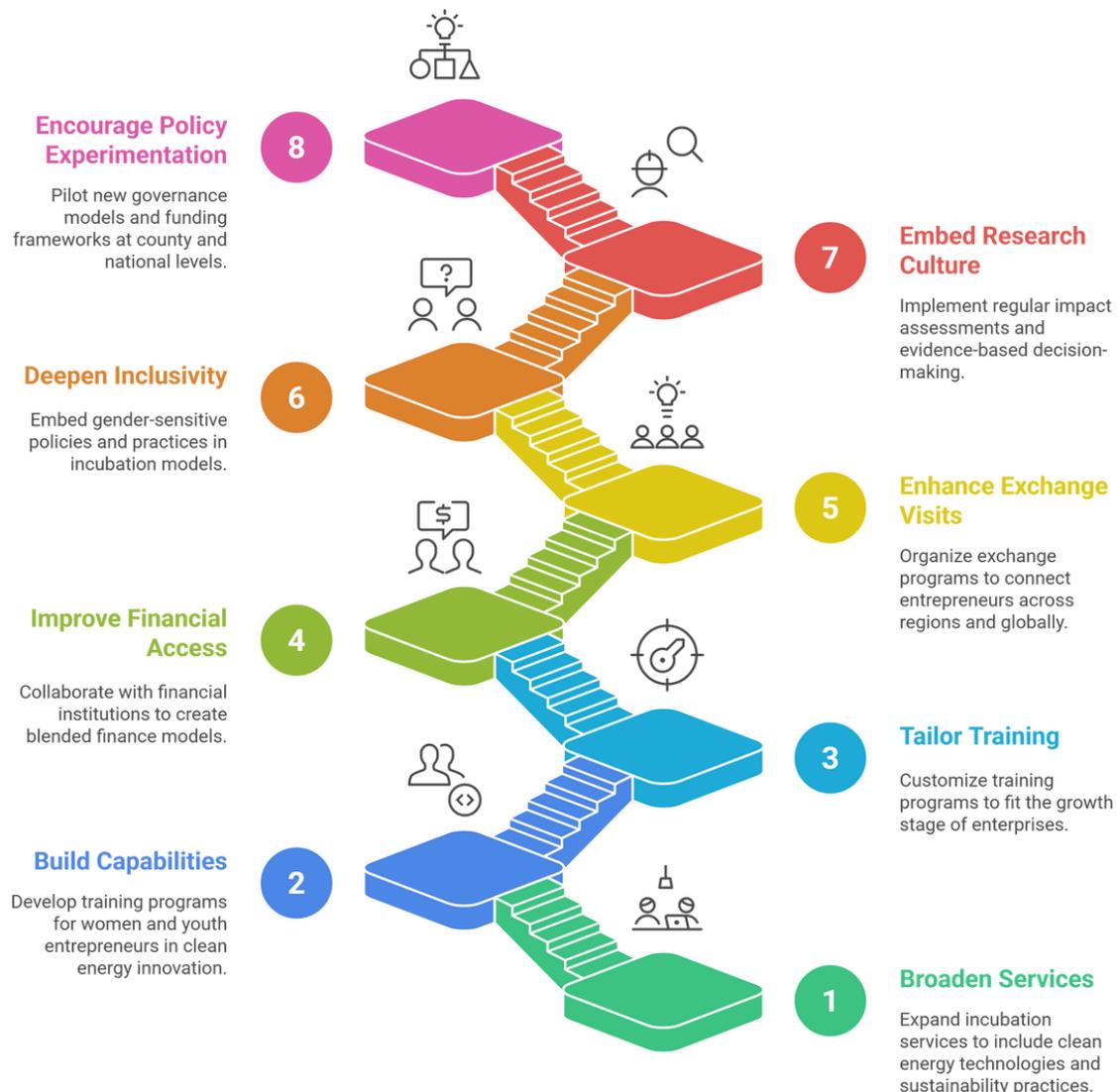
5.7 Embed a culture of research, monitoring, and excellence in incubation programs

Regular impact assessments and evidence-based decision-making should guide incubation support, ensuring programs remain aligned with evolving market needs, climate goals, and enterprise sustainability.

5.8 Encourage policy experimentation at county and national levels

Policymakers should pilot new governance models, funding frameworks, and incubation strategies that can be scaled based on evidence of effectiveness. Counties could serve as laboratories for innovative policies supporting women and youth-led clean energy enterprises.

Achieving Sustainable Incubation Ecosystems



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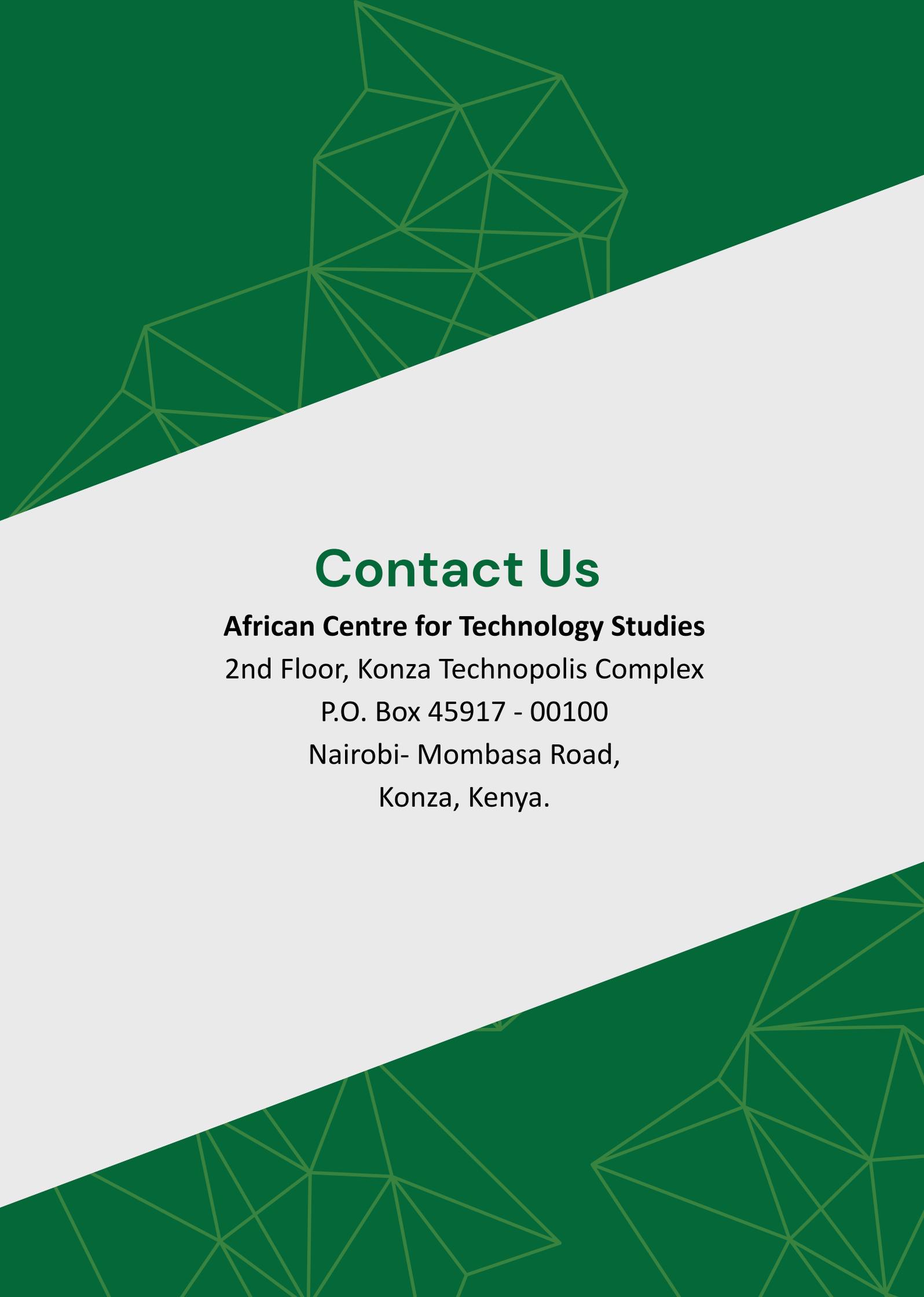
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