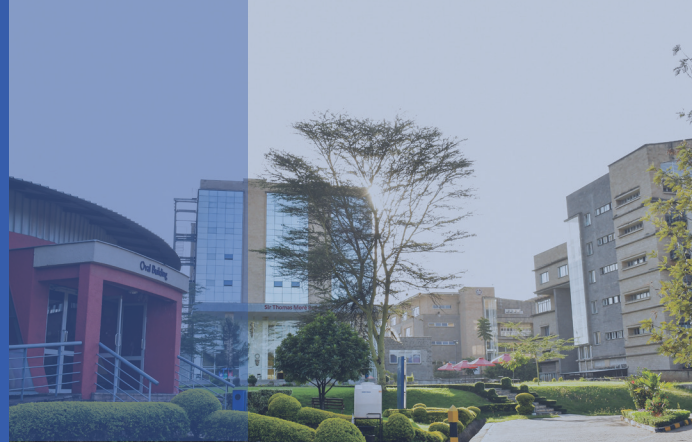




POLICY BRIEF

POLICY BRIEF NO. 8 (2026)



BUILDING INNOVATION CAPABILITIES IN EAST AFRICA'S PUBLIC SECTOR

Bernard Shibwabo

Executive Summary

Public sector institutions in East Africa operate in increasingly complex environments shaped by digital transformation, climate pressures, demographic shifts, and growing citizen expectations. In practice, many agencies are required to respond to these pressures while working within inherited administrative systems that were not originally designed for rapid adaptation or experimentation. However, many public organisations continue to function within rigid bureaucratic systems that constrain innovation, limit cross-sector collaboration, and slow institutional adaptation. Strengthening innovation capability within the public sector is therefore not optional but central to improving governance performance and public service delivery.

The Building Innovation Capabilities (BIC) programme was implemented between October 2024 and May 2025 as a collaborative initiative involving KTH Royal Institute of Technology (Sweden), Strathmore University (Kenya), and the University of Dar es Salaam (Tanzania), with support from the Swedish Institute under the SI Public Sector Innovation Programme. The programme engaged 26 public sector officials from Kenya and Tanzania through a structured, four-module approach combining theoretical grounding, peer learning,

stakeholder engagement, and internal change projects.

Early outcomes indicate that participating institutions initiated or formalised internal innovation policies, advanced digital transformation initiatives, and strengthened collaboration between public agencies and universities.

This policy brief synthesises the key challenges identified, outlines viable policy pathways for institutionalising innovation capability, and presents targeted recommendations for governments, public sector leaders, development partners, and academic institutions seeking to embed sustainable innovation systems across East Africa.

Background

This policy brief is grounded in the experience and findings of the BIC programme, which sought to address persistent innovation gaps within public sector institutions in Kenya and Tanzania. Innovation capability in this context refers not merely to creativity or isolated projects, but to structured, institutionalised systems that enable public organisations to identify challenges, experiment responsibly, collaborate across sectors, and embed sustainable improvements in policy and service delivery.

Public sector organisations across East Africa face increasing pressure to respond to complex and interrelated societal challenges. These include digital transformation in public administration, sustainable infrastructure development, green transitions, healthcare system strengthening, and improving access to essential services. Meeting these demands requires adaptive institutions capable of learning, experimenting, and partnering effectively.

However, many institutions operate within traditional administrative cultures that prioritise compliance over experimentation. Innovation efforts, where they occur, are often ad hoc and dependent on individual champions rather than embedded structures. In response to these realities, the BIC programme was designed as a university-led, collaborative capacity-building initiative aimed at strengthening internal innovation systems within public sector organisations.

The programme adopted a modular structure delivered over approximately eight months. It combined in-person sessions in Kenya and Tanzania with online coordination, enabling cross-country exchange and peer learning. Participants were drawn from a range of public institutions, including planning authorities, health institutions, transport agencies, regulatory bodies, and

other government entities. Many participants held leadership or mid-level managerial roles, positioning them to influence institutional processes..

Problem Statement

The study underlying this policy brief clearly identified systemic barriers that limit innovation within public sector institutions in East Africa. These challenges are structural rather than individual and therefore require institutional responses.

First, bureaucratic rigidity and entrenched institutional cultures often inhibit experimentation. Public organisations typically operate within hierarchical systems with limited tolerance for risk. While accountability and procedural integrity remain essential, overly rigid processes can stifle adaptive problem-solving and delay necessary reforms.

Second, many public institutions lack formal innovation policies or structured frameworks to guide experimentation, stakeholder engagement, and institutional learning. Without explicit mandates, innovation activities tend to remain peripheral rather than integrated into core organisational strategies.

Third, collaboration between public institutions and academia is frequently under-leveraged. Universities possess research expertise, analytical capacity, and access to student talent that could contribute meaningfully to public problem-solving. However, formal mechanisms for sustained collaboration are often weak or absent.

Fourth, limited future-oriented planning constrains the ability of institutions to anticipate emerging trends. Whether in relation to digital transformation, sustain-

ability transitions, or demographic change, insufficient strategic foresight reduces institutional resilience.

These structural barriers have practical implications. Innovation initiatives risk fading once externally funded programmes conclude or when individual champions move on. Institutional transformation requires more than training. It requires embedding innovation within governance systems.

Policy Options

Based on the findings of the programme and the experiences of participating institutions, three policy pathways emerge as viable approaches for institutionalising innovation capability within the public sector.

Option 1: Institutionalising Innovation Governance Structures

One pathway involves formalising innovation within organisational structures. Governments and public sector leadership could adopt internal innovation policies, establish dedicated innovation units or designate innovation focal persons within ministries and agencies, and integrate innovation indicators into organisational performance systems.

The BIC experience suggests that where participants initiated internal innovation policies or structured processes, institutional change gained greater legitimacy and sustainability. Embedding innovation within formal governance systems reduces dependence on individual champions and aligns experimentation with institutional objectives.

However, this approach requires political commitment, budgetary allocation, and leadership support. Without adequate resourc-

es or clear mandates, innovation units risk becoming symbolic rather than operational.

Option 2: Formalising Public-University Collaboration Mechanisms

A second pathway focuses on strengthening structured collaboration between public institutions and universities. The programme's challenge-driven approach demonstrated the potential of co-creation models in which real institutional challenges are addressed through joint engagement with academic partners, students, and external stakeholders.

Formal mechanisms such as Memoranda of Understanding, joint challenge labs, or collaborative research initiatives can provide structured platforms for sustained engagement. Universities contribute analytical expertise and innovation methodologies, while public institutions provide contextual knowledge and implementation pathways.

Challenges associated with this option include coordination complexities, institutional timelines, and legal or procurement considerations. Nevertheless, structured partnerships can significantly enhance institutional learning and problem-solving capacity.

Option 3: Scaling Modular Capacity-Building Models with Embedded Action Projects

A third pathway involves scaling modular training models that combine conceptual grounding with practical application. The BIC programme's four-module structure progressed from understanding innovation concepts to co-creation, stakeholder engagement, and leading innovation for the future. Each participant was required to implement an internal change project within their organisation.

This blended approach strengthens both mindset and capability. Participants reported increased confidence in applying innovation methodologies and greater openness to collaborative approaches. Importantly, action learning ensured that training translated into institutional initiatives rather than remaining theoretical.

Scaling such models requires sustained funding, structured follow-up mechanisms, and careful attention to quality to prevent dilution of mentoring and coaching support.

Recommendations

Based on the study, which clearly identified structural gaps in innovation governance, collaboration, and institutional sustainability, the following recommendations are proposed for consideration by governments, public sector leaders, academic institutions, and development partners.

1. Institutionalise Innovation within Public Sector Governance Systems.

Governments and public agencies should adopt formal innovation policies and integrate innovation roles or units within organisational structures. Innovation indicators may be incorporated into strategic plans and performance frameworks to ensure alignment with institutional objectives.

2. Formalise Structured Public-University Partnerships.

Ministries and agencies should establish formal collaboration mechanisms with universities to address institutional challenges through co-creation, research partnerships, and challenge-driven models. Clear agreements outlining expectations, resource sharing, and intellectual property considerations can enhance sustainability.

3. Allocate dedicated time and seed resources for innovation activities.

Staff engaged in innovation initiatives should have protected time within job descriptions and access to modest seed funding to pilot and prototype solutions. This reduces tension between routine duties and innovation responsibilities.

4. Adopt modular, blended capacity-building approaches.

Capacity-building programmes should combine theoretical instruction, peer learning, coaching, and internal action projects. Reflection and follow-up mechanisms are essential to reinforce institutional change.

5. Establish sustainability and follow-up mechanisms.

Post-training support networks, monitoring of action plans, and knowledge-sharing platforms can sustain momentum beyond the lifespan of individual programmes.

6. Encourage long-term donor-support linked to institutional outcomes.

Development partners should consider funding models that prioritise institutional transformation and cross-sector collaboration over short-term training attendance metrics.

Conclusion

The experience of the BIC programme demonstrates that structured, collaborative, and action-oriented approaches can strengthen innovation capability within public sector institutions in East Africa. Participants initiated internal policy processes, advanced digital transformation efforts, and strengthened collaboration between public agencies and universities. These outcomes, while early, indicate that institutional innovation is achievable when supported by structured capacity-building, leadership engagement, and sustained collaboration.

To consolidate and scale these gains, innovation must move from project-based initiatives to embedded governance systems. Institutionalisation, structured partnerships, dedicated resources, and sustained follow-up are central to ensuring that innovation capability becomes a permanent feature of public sector administration. Strengthening these systems contributes not only to improved service delivery but also to enhanced institutional resilience in the face of evolving societal challenges.

Public Sector Innovation Capability Model



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Table 1: Key Dimensions of Building Innovation Capabilities (BIC) in the Public Sector

Dimension	Description
Leadership & Vision	Strong, forward-thinking leadership with a clear innovation vision and strategic direction.
Organizational Culture	A culture that encourages creativity, experimentation, and openness to change.
Human Capital & Skills	Developing a skilled and motivated workforce equipped with the necessary innovation competencies.
Processes & Partnerships	Efficient processes and robust collaboration with external stakeholders.

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Project Team and Affiliations

The BIC Project Team comprises academic and professional staff from KTH Royal Institute of Technology (Sweden), Strathmore University (Kenya), and the University of Dar es Salaam (Tanzania). Team members include Susanne Nilsson, Lena Gumaelius, Erika Charpentier, Anders Rosén, Moses Ismail, Eva Shayo, Bernard Shibwabo, Bruce Totona, and Noela Shisiali. Their collective expertise spans innovation management, public sector reform, digital transformation, and collaborative education models.

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