

## Activity Brief – Chilli Processing Plant

### Key facts:

<b>Location:</b> Malindi Municipality, Kenya	<b>Sector:</b> Agro-processing
<b>Investment Size:</b> £1.25m (Ksh215m)	<b>Seed Fund Contribution:</b> £250k (Ksh43m)
<b>Jobs Created:</b> 4,599 new jobs, 5,000 preserved	<b>Other Benefits:</b> Climate resilience, reduced waste
<b>Date Deal Signed:</b> March 2023	<b>Date Operational:</b> Mid/late 2023

**Project Synopsis:** The chilli processing plant in Malindi is a partnership between the UK Government and Equator Kenya Limited (EKL), and has been supported by the UK’s SUED programme in collaboration with Kalifi County and Malindi Municipality. The project seeks to integrate more climate-smart technology at the chilli processing facility, and to expand its network of farmers. It is envisaged that this will support over 10,000 jobs in the local economy as well as increasing climate resilience.



**Financials:** EKL is investing almost £900k (Ksh154m) into the project with a third-party contribution of £105k (Ksh18m) totalling to £1m (Ksh172m) to optimise its operations. The UK Government has played a strategic role in unlocking this investment by providing £250k (Ksh43m) in seed fund support.

**Impact:** SUED’s support will enable EKL to double its annual dried chilli production from 70MT to 150 MT by 2025, diversifying its chilli processing activities and upgrading its current facility to become more climate resilient in its energy utilisation. The support has also increased EKL’s farmer network from 1,700 to 11,000.

Together the funds are expected to generate the following climate benefits:

- **Transition to Solar Energy:** The EKL factory will transition to utilising solar energy to meet 90% of its energy needs for the facility’s operations greatly reducing EKL’s carbon footprint.
- **Implementation of climate-smart technologies** to support farm management and communication with farmers on agronomic alerts/advice to increase their climate resilience
- **Reduction of post-harvest losses** due to the expanded processing capacity and diversification into other chilli products like chilli oil and chilli flakes, EKL will reduce the amount of chilli rejected
- **Introduction of carbon sequestration** to improve the farmers’ soil carbon management

## Pictures:



**Figure 2: The British High Commissioner and the Governor are explained to the Chili Drying Process by EKL's Director Abu**



**Figure 1: The British High Commissioner and the Governor Tour the Chilli Processing Plant**

**Video Clips:** <https://youtu.be/HqT3Omoomuc>

## Quotes

Speaking during the launch of the projects in Malindi the Kilifi Governor, H.E Hon. Gideon Mung'aro Governor stated that:

*“The UK Government’s support towards Malindi Municipality and wider Kilifi County to bring in investments that have a wide impact is appreciated. The project will create jobs, provide a market for farmers and will economically empower the community. As a county our priority is in creating an enabling environment where these investments can succeed. We will ensure that our farmers are sensitised and linked with the chili processors to take advantage of having a ready market within the locality.”*

Speaking about the launch in Malindi the Director for EKL Mr Abubakar Ali, Director, EKL said:

*“The UK Government’s support through SUED is ensuring that we are able to extend our relationship with farmers across Kilifi. More farmers will now learn best practices of chilli farming enabling them to harvest chilli’s that are suitable for the export market. The funding that we are receiving will also allow us to have guaranteed access to renewable energy ensuring that our processing plant runs seamlessly.”*

Speaking about the project launch, the British High Commissioner in Kenya, H.E Jane Marriott said:

*“Our strategic partnership with Kenya entails partnerships around climate resilient urban development, jobs creation, trade facilitation, education, health and environment and climate change. The use of renewable energy by the investment and the economic opportunities it will create is a fact that the threat of climate change, economic hurdles and a rapidly urbanising society are everyday realities.”*