

## **The Role of the Local Innovation System for Inclusive Upgrading in the Global Value Chain: The Case of KenyaGAP in the Kenyan Horticultural Sector**

### **Abstract**

This paper highlights the role of local institutions and innovation systems in supporting the participation and upgrading of firms in the global value chain through a case study of the export-oriented fresh fruit and vegetable sector in Kenya. The case illustrates how sectoral institutions at the local and global levels create a connection between the global value chain and local innovation systems and facilitate local learning that is necessary for supplying global buyers in advanced markets. KenyaGAP is a formal national institution translating global certification procedures into the local setting, thereby providing learning opportunities for small Kenyan exporters to become acquainted with the quality standards required by foreign buyers. This case demonstrates that the timely establishment of local institutions and public–private interactions in the process of developing local institutions has been critical in supporting interactive learning within local innovation systems.