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Ministry of Lands, Public Works, Housing and Urban Development, State Department of Housing and Urban Development, Urban Development (UDD)

PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR URBAN BOARDS FOR HOMA BAY COUNTY

[NOVEMBER 2025]

Department for Lands, Physical planning Housing and Urban Development

Homa Bay County

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Homa Bay.

TABLE OF CONTENTS

Abbreviations and Acronyms

|	
APA	Annual Program Appraisal
CoG	Council of Governors
COTU	Central Organization of Trade Unions
CSOs	Civil Society Organizations
ESF	Environment and Social Framework
IDEPs	Integrated Development Plans
KAM	Kenya Association of Manufacturers
KARA	Kenya Alliance of Residents Association
KEPSA	Kenya Private Sector Alliance
KeSIC	Kenya Standard Industrial Classification
KNCCI	Kenya National Chamber of Commerce and Industry
MSEA	Medium and Small Enterprises Authority
MSMEs	Micro, Small and Medium Enterprises
MTP	MediumTerm Plan
NGOs	NonGovernmental Organizations
NUDP	National Urban Development Policy
PAD	Program Appraisal Document
PDO	Program Development Objective
PPDFs	Public Private Dialogue Forums
PSE	Private Sector Engagement
PSEF	Private Sector Engagement Framework
SBP	Small Business Permits
SDHUD	State Department for Housing and Urban Development
UACA	Urban Areas and Cities Act
APA	Annual Program Appraisal
UBs	Urban Boards
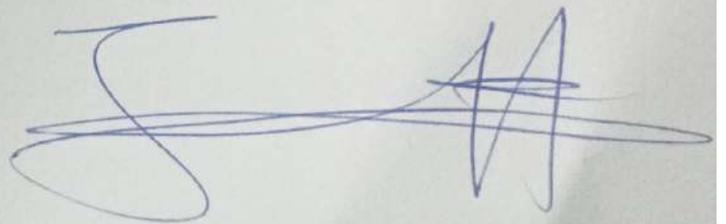
FOREWARD

Urban areas are increasingly becoming the primary engines of economic growth, innovation, and employment creation. Municipalities and towns are not only centers of service delivery but also dynamic marketplaces where enterprise, investment, and livelihoods intersect. The private sector plays a central role in shaping urban productivity, competitiveness, and resilience. Recognizing this reality, Urban Boards must move beyond transactional interactions with businesses and establish structured, transparent, and sustained engagement mechanisms that enable collaboration in planning, investment, and governance.

This Private Sector Engagement Framework provides a practical and institutional approach for strengthening collaboration between Urban Boards and the private sector. It establishes systems, processes, and engagement platforms that enable evidencebased dialogue, inclusive participation, and joint problemsolving. It shifts engagement from informal and episodic consultations toward predictable and accountable partnerships aligned with urban planning and development cycles.

The framework has been developed to support urban governance institutions in implementing structured engagement practices that are consistent with existing legal, policy, and planning instruments. It recognizes the diversity of private sector actors from micro and small enterprises to large investors and provides mechanisms to ensure their voices are systematically captured and considered in decision making processes.

Adoption and implementation of this framework will strengthen the responsiveness of urban institutions, improve the investment climate, and support more inclusive and sustainable urban economic growth.
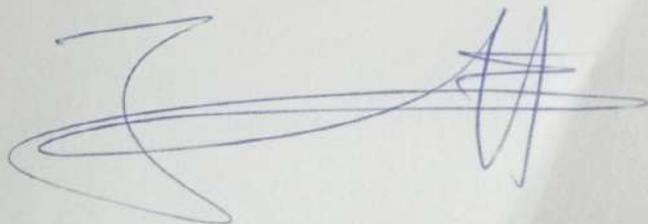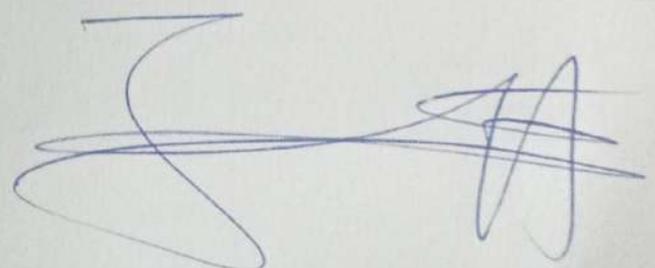
ACKNOWLEDGEMENT

The development of this Private Sector Engagement Framework has benefited from the contributions of multiple institutions and stakeholders involved in urban governance, economic development, and private sector promotion. The framework draws from established toolkits, county and urban governance practices, and structured engagement approaches designed to strengthen collaboration between public institutions and business communities.

Recognition is extended to Urban Boards, County Departments responsible for urban development, trade, ICT, planning, and finance, as well as representatives of business associations, professional bodies, and enterprise groups who have contributed insights into practical engagement challenges and opportunities at the urban level. Their experience has informed the design of realistic, implementable engagement mechanisms embedded within existing governance structures.

Technical reference has been drawn from recognized competitiveness and private sector engagement toolkits and urban governance guidance instruments, which provide tested methodologies for diagnostics, dialogue platforms, and institutional engagement models. These references have been adapted to align with urban governance mandates and operational realities.

The collaborative spirit that informed the preparation of this framework reflects the very principle it promotes: that sustainable urban development is best achieved through structured partnership between the public and private sectors.

EXECUTIVE SUMMARY

This Private Sector Engagement Framework establishes a structured system through which Urban Boards can engage the private sector in urban planning, investment prioritization, regulatory improvement, and local economic development. It responds to the need for predictable, transparent, and evidence based engagement mechanisms that move beyond ad hoc consultations and toward institutionalized collaboration.

Urban economies depend on private sector activity for job creation, innovation, service provision, and revenue generation. However, engagement between urban authorities and businesses is often fragmented, informal, or reactive. This framework introduces a coordinated approach built on six core components: a private sector database, private sector diagnostics, structured public–private dialogue forums, capacity building and outreach systems, communication and feedback channels, and institutional and resource arrangements. Together, these components form an integrated engagement architecture.

The framework establishes how Urban Boards can build and maintain a reliable database of enterprises operating within their jurisdiction, enabling disaggregation by sector, size, and location. It outlines how diagnostics should be conducted to identify business environment constraints and opportunities across regulatory, infrastructure, skills, and finance dimensions. It defines dialogue platforms aligned with planning and budgeting cycles to ensure private sector inputs inform decisions in a timely manner.

Capacity strengthening measures are included to ensure both Urban Board officials and private sector actors can engage effectively. Communication and feedback systems are defined to support transparency, trust, and responsiveness. Institutional roles and coordination arrangements are clarified to ensure engagement activities are managed, resourced, and monitored.

The framework is designed for adoption within existing legal and governance structures and does not create parallel institutions. Instead, it strengthens how existing institutions perform their engagement mandate. When implemented, the framework will improve policy responsiveness, enhance investor confidence, support inclusive participation, and contribute to more competitive and resilient urban economies.
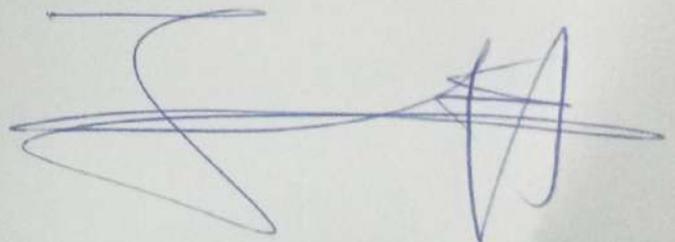
INTRODUCTION

Urban governance increasingly requires collaborative approaches that bring together public authorities, private sector actors, and communities in shaping development outcomes. The private sector is not only a beneficiary of urban infrastructure and regulatory systems but also a coproducer of economic value, employment, and innovation. Effective urban management therefore depends on structured engagement between Urban Boards and the business community.

Private sector engagement must be systematic rather than incidental. Without structured engagement mechanisms, urban institutions risk making planning, regulatory, and investment decisions without sufficient understanding of enterprise realities. This can result in regulatory inefficiencies, underperforming infrastructure investments, and missed opportunities for economic growth and job creation.

This framework provides a structured methodology for Urban Boards to organize, manage, and sustain private sector engagement processes. It defines engagement not as isolated meetings but as a continuous cycle of data collection, analysis, dialogue, feedback, and joint action. Engagement is treated as an institutional function supported by systems, protocols, and accountability measures.

The framework is designed to be practical and operational. It translates engagement principles into implementable processes, tools, and governance arrangements. It aligns engagement activities with urban planning, budgeting, and regulatory cycles so that private sector participation is both meaningful and timely.

By institutionalizing engagement practices, Urban Boards can strengthen legitimacy, improve decision quality, and build long term collaborative relationships with private sector actors operating within their jurisdiction.
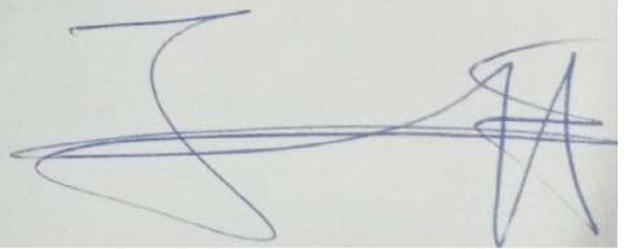
BACKGROUND

Urban areas are experiencing growing economic, demographic, and spatial pressures that require more responsive and collaborative governance approaches. As urban populations grow and economic activities diversify, the complexity of managing infrastructure, land use, service delivery, and investment increases. The private sector is central to this transformation, contributing capital, innovation, employment, and service provision across multiple sectors. Despite this central role, engagement between urban authorities and the private sector has often remained informal, unstructured, or limited to regulatory compliance interactions such as licensing and permitting. Such limited interaction does not adequately capture the knowledge, constraints, and opportunities experienced by businesses operating within urban areas. It also limits the ability of urban institutions to design responsive policies and targeted investments.

Recent urban development programs and competitiveness initiatives have emphasized the importance of structured public–private engagement in improving the business environment and strengthening local economic performance. Toolkits and guidance instruments have demonstrated that cities that institutionalize dialogue, diagnostics, and partnership mechanisms are more effective in attracting investment, supporting enterprise growth, and generating employment.

This framework builds on these lessons and adapts them to the urban governance context. It recognizes that Urban Boards require practical engagement systems that are embedded within their mandates and administrative structures. It also recognizes that engagement must be inclusive, reaching micro, small, and medium enterprises alongside larger firms and formal associations.

The background to this framework is therefore grounded in the recognition that sustainable urban development depends on structured collaboration between public institutions and private sector actors. Establishing a formal engagement framework enables that collaboration to be predictable, evidence based, and results oriented.

RATIONALE FOR A FRAMEWORK FOR PUBLIC–PRIVATE ENGAGEMENT FOR URBAN DEVELOPMENT

Urban development outcomes are strongly influenced by the quality of interaction between public institutions and private sector actors. Businesses invest, build, produce, transport, innovate, and employ within urban areas, while urban authorities regulate, plan, service, and enable the operating environment. Where engagement between these two spheres is weak, fragmented, or reactive, urban development tends to suffer from misaligned investments, inefficient regulations, low investor confidence, and missed opportunities for economic growth. A structured Private Sector Engagement Framework provides the institutional bridge needed to align public decision making with enterprise realities.

The need for a formal framework arises from recurring gaps observed in many urban contexts. Engagement is often limited to licensing, inspections, and enforcement interactions, which are necessary but insufficient. Consultations, when they occur, are frequently project specific and time bound, lacking continuity and follow through. There is rarely a maintained database of enterprises at the urban level that supports targeted outreach and representative participation. Dialogue forums are not consistently aligned with planning and budgeting cycles, resulting in private sector inputs arriving too late to influence decisions. Without a framework, engagement depends heavily on personalities and informal networks rather than systems and procedures.

A formal engagement framework transforms private sector engagement from an optional activity into a recognized institutional function. It establishes predictable channels for communication, defines roles and responsibilities, sets minimum standards for participation and transparency, and introduces tools for evidence based dialogue. It ensures that engagement is inclusive and structured, rather than selective and ad hoc. This improves fairness, reduces perceptions of bias, and strengthens institutional credibility.

The rationale also rests on economic grounds. Urban competitiveness depends on the efficiency of regulations, the adequacy of infrastructure, the availability of skills, and access to markets and finance. These factors are best understood through direct and continuous

engagement with enterprises. A structured framework enables Urban Boards to diagnose constraints more accurately, prioritize investments more effectively, and design reforms that respond to actual business needs. In doing so, the framework contributes directly to job creation, enterprise growth, and revenue enhancement.

Finally, a framework supports accountability and continuity. Engagement processes survive leadership transitions when they are institutionalized through approved frameworks, documented procedures, and embedded systems. This ensures that private sector engagement remains a sustained governance practice rather than a temporary initiative.

CURRENT PRACTICE

In many urban areas, interaction between urban authorities and the private sector already occurs, but in fragmented and uneven ways. Existing practice is typically centered on regulatory compliance processes such as business registration, single business permits, development approvals, inspections, and revenue collection. While these processes generate frequent contact between businesses and authorities, they are primarily transactional and do not constitute structured engagement for development planning and investment prioritization.

Consultative engagement sometimes takes place during preparation of urban plans, infrastructure projects, or budget hearings. However, such consultations are often broad public participation exercises rather than targeted private sector engagement processes. They may not adequately capture sector specific constraints, enterprise level operational challenges, or investment perspectives. Participation is often dominated by larger or more organized actors, leaving micro and small enterprises underrepresented.

Business associations and chambers of commerce occasionally serve as intermediaries between the private sector and government. While these organizations play an important role, their coverage is not universal and may not include informal enterprises, emerging sectors, or geographically dispersed businesses. Reliance on associationbased engagement alone can therefore result in partial representation.

Data limitations further weaken current practice. County level licensing systems contain business data, but this data is not always filtered, clustered, or analyzed at the urban level for engagement purposes. Urban Boards often lack direct access to structured enterprise datasets that would allow them to segment businesses by sector, size, location, or years of operation.
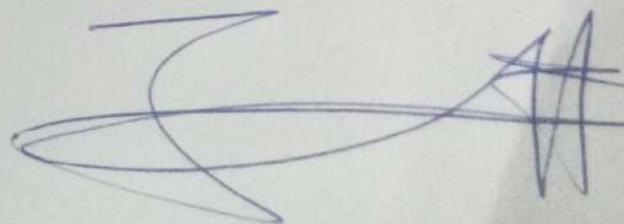
Without such data, outreach and engagement tend to be generalized rather than targeted. Current practice demonstrates that engagement exists but lacks structure, continuity, and analytical support. The framework addresses these gaps by introducing institutional mechanisms, data systems, diagnostic tools, and dialogue platforms that transform scattered interactions into a coherent engagement system.

IMPLEMENTATION OF KUSP II

Implementation of urban development programs such as KUSP II has reinforced the importance of structured private sector engagement at the urban level. Program experience has demonstrated that infrastructure investments, institutional strengthening, and urban planning reforms achieve stronger and more sustainable outcomes where private sector actors are meaningfully engaged throughout the project cycle.

Urban investments in roads, markets, lighting, drainage, and public spaces directly affect business operations, logistics, customer access, and enterprise productivity. Where private sector input is incorporated early in project identification and design, investments are more likely to respond to actual economic needs and usage patterns. Where engagement is weak, infrastructure may be technically sound but economically underutilized or poorly aligned with enterprise activity zones.

KUSP II implementation has also highlighted the need for Urban Boards to strengthen stakeholder engagement systems, including targeted engagement with business communities. Program performance measures increasingly emphasize transparency, consultation, safeguards compliance, and participatory planning. A Private Sector Engagement Framework supports Urban Boards in meeting these expectations through defined engagement processes and documentation practices.

Capacity gaps observed during program implementation including limited engagement planning, weak stakeholder databases, and inconsistent follow up on consultation outcomes further justify the establishment of a formal engagement framework. Embedding engagement systems within Urban Board operations strengthens program delivery and enhances long term institutional capacity beyond individual projects.

The framework therefore complements program implementation requirements by providing structured engagement tools and processes that can be applied across investment planning,
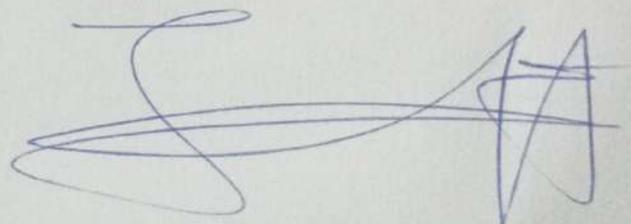
safeguards processes, regulatory reviews, and local economic development initiatives.

DEVELOPMENT OF THE FRAMEWORK

This framework has been developed as an operational guide for Urban Boards to institutionalize private sector engagement using tested tools, governance principles, and urban management practices. Its development draws from recognized competitiveness and subnational economic development toolkits, urban governance guidance instruments, and practical lessons from program implementation experience.

The framework design integrates three foundational elements. The first is data driven engagement, which requires the establishment of an urban level private sector database derived from county licensing and registration systems and enriched through local data collection. The second is analytical engagement, which involves conducting structured private sector diagnostics to identify constraints and opportunities across regulatory, infrastructure, skills, and finance dimensions. The third is dialogic engagement, which institutionalizes public–private dialogue forums aligned with planning and budgeting cycles.

The development approach emphasizes institutional fit. The framework does not create parallel structures but works through existing Urban Board mandates, county departments, and statutory processes. Roles are distributed across Urban Boards, urban management, county ICT units, planning departments, and trade and investment offices. This ensures feasibility and sustainability.

Consultative principles underpin the framework design. Engagement is treated as a twoway process involving listening, feedback, joint analysis, and shared problem solving. The framework embeds transparency, inclusivity, and accountability as operational standards rather than optional values.

The result is a framework that is both principled and practical: principled in its governance foundations and practical in its operational guidance.
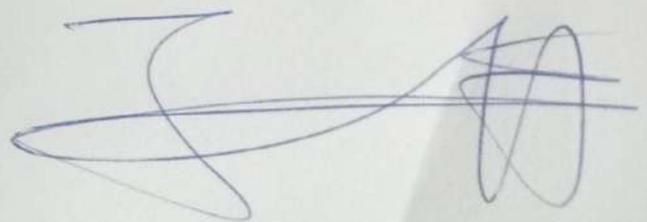
LEGAL BASIS AND ALIGNMENT TO EXISTING COUNTY FRAMEWORKS AND PROCESSES

The Private Sector Engagement Framework for Urban Boards is established within the legal, institutional, and programmatic architecture governing urban management, intergovernmental development financing, and participatory governance in Kenya. Its authority and operational mandate are not standalone; rather, they are derived from and embedded within the Kenya Urban Support Program II (KUSP II) performance framework, the Urban Areas and Cities Act, and the broader county governance and urban planning system. Under KUSP II, Result Area Four establishes a direct performance obligation on county governments and participating urban boards to institutionalize structured private sector engagement mechanisms that inform urban planning, regulatory reform, and investment prioritization. The requirement is not advisory it is a **Minimum Condition and Performance Standard trigger** tied to access to Urban Development Grant (UDG) resources. The program appraisal and annual performance assessment processes explicitly verify whether counties have developed and adopted a Private Sector Engagement Framework and whether participating urban boards are operationalizing its core components, including a private sector database, private sector diagnostic, and functioning public–private dialogue forums.

The framework is therefore positioned as both a governance instrument and a financing compliance mechanism. Counties that fail to adopt and operationalize the framework risk noncompliance findings during the Annual Program Appraisal (APA), which directly affects grant eligibility and performance scoring. This makes the framework an integral part of county fiscal access to KUSP II support rather than a discretionary engagement model.

From a statutory standpoint, the framework operationalizes participation obligations already embedded in the Urban Areas and Cities Act (UACA) (2011 as amended 2019). The Act assigns Urban Boards responsibility for integrated urban planning, stakeholder engagement, and structured urban fora. The PSEF gives procedural and institutional structure to how the private sector including formal enterprises, MSMEs, and organized informal sector actors participates in these planning and governance processes. In particular, the framework strengthens the participation architecture envisioned under UACA by establishing permanent dialogue platforms, accreditation pathways for business associations, and structured submission mechanisms for private sector priorities into Integrated Development Plans (IDEPs), annual
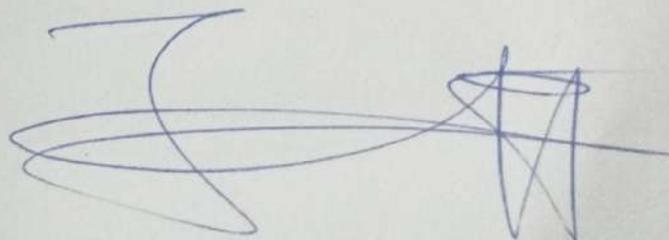
urban plans, and budget estimates.

The framework also aligns with the National Urban Development Policy and the Competitive Counties analytical approach referenced in the toolkit. Through the required private sector diagnostic methodology, urban boards are guided to assess business environment constraints across the four policy levers of institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance. This ensures that engagement is not limited to consultation but is anchored in structured economic analysis and evidence based intervention design.

Implementation authority flows through defined institutional channels as specified in the toolkit. The County Executive Committee Member responsible for Urban Development or Trade leads contextualization and adoption of the framework at county level. The County Project Coordination Team coordinates departmental roles, technical support, and performance preparation. Urban Boards formally adopt the framework through board resolution and delegate operational responsibility to the Urban Manager, who is required to translate the framework into annual work plans, budgets, engagement calendars, and reporting outputs. This chain of authority ensures that private sector engagement is embedded within formal county and urban governance systems rather than treated as an ad hoc consultative activity.

The framework is also governed by Kenya's information and data governance regime. The establishment of private sector databases and public access provisions must comply with the Access to Information Act (2016) and the Data Protection Act (2019), as explicitly stated in the toolkit. This introduces procedural safeguards around data sharing, verification, publication, and privacy, and requires counties to establish formal data sharing protocols between licensing, ICT, planning, and urban administration units.

In this way, the PSEF is best understood not as a standalone engagement guide but as a **legally anchored, performance linked, program mandated governance system** that integrates private sector participation into urban planning, budgeting, diagnostics, and accountability processes under KUSP II.
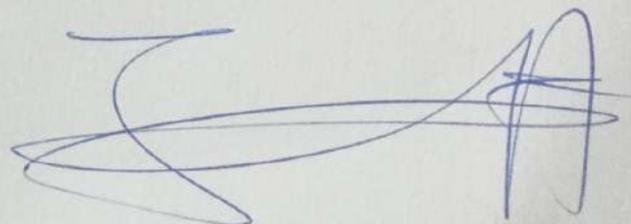
OBJECTIVE OF THE FRAMEWORK

The objective of this Private Sector Engagement Framework is to establish a structured, transparent, and sustainable system through which Urban Boards engage the private sector in urban planning, investment prioritization, regulatory improvement, and local economic development. The framework seeks to transform engagement from occasional consultation into a continuous institutional practice supported by data, analysis, dialogue platforms, and accountability mechanisms.

At its core, the framework aims to strengthen the quality of decision making at the urban level by ensuring that private sector perspectives, operational realities, and investment signals are systematically incorporated into planning and governance processes. Engagement is positioned not as a procedural requirement but as a strategic function that improves policy relevance, infrastructure targeting, and service delivery responsiveness.

The framework also aims to broaden and democratize participation in urban economic governance. It promotes inclusive engagement that reaches micro, small, and medium enterprises alongside larger firms and organized business associations. By doing so, it reduces the risk that engagement is captured by a narrow segment of the business community and instead supports balanced representation across sectors and enterprise sizes.

A further objective is to improve predictability and trust in public–private interaction. When engagement processes are known, scheduled, documented, and followed through, both public and private actors can plan their participation and expectations more effectively. Predictable engagement reduces uncertainty, strengthens confidence in institutions, and encourages constructive collaboration.

Finally, the framework aims to build institutional capacity within Urban Boards and associated county departments to manage engagement professionally. It introduces systems, tools, and procedures that enable engagement to be managed, monitored, and improved over time.
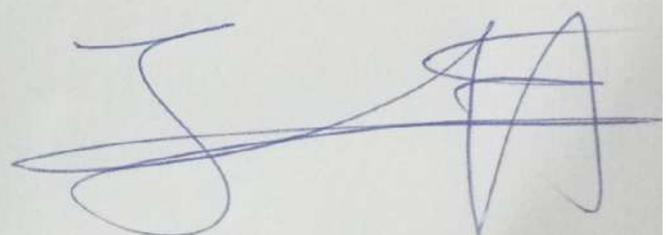
APPROACH TO THE PSE FRAMEWORK

The framework adopts a systems based approach to private sector engagement. Rather than treating engagement as a series of isolated meetings or consultations, it organizes engagement as a continuous cycle consisting of data development, analytical assessment, structured dialogue, joint action, and feedback. Each stage informs the next, creating a reinforcing loop that improves engagement quality over time.

The approach begins with the establishment of a reliable private sector database at the urban level. This database provides the factual foundation for engagement by identifying who the private sector actors are, where they operate, what sectors they belong to, and how they can be reached. Engagement without a database tends to be selective and incomplete; engagement supported by data becomes targeted and representative.

The second element of the approach is diagnostic assessment. Engagement is anchored in structured analysis of business environment conditions, enterprise constraints, and growth opportunities. Diagnostics combine desk research, administrative data, surveys, and consultations. This ensures that dialogue discussions are evidence based and solutionoriented rather than perception driven.

The third element is institutionalized dialogue. The framework establishes recurring public-private dialogue forums aligned with planning and budgeting cycles. These forums are not standalone events but part of a governance calendar. They are prepared using diagnostic evidence and produce documented outputs that feed into formal decision processes.

The fourth element is capacity and communication support. Engagement effectiveness depends on the ability of both Urban Board officials and private sector participants to understand processes, interpret data, and contribute constructively. The approach therefore integrates capacity building, outreach, and communication systems into the engagement architecture.

The approach is adaptive rather than rigid. Urban areas differ in economic structure, institutional capacity, and data availability. The framework provides minimum standards and core processes while allowing contextual adaptation in tools, frequency, and scale of engagement activities.

PRINCIPLES OF THE PSEF

This framework is guided by a set of governance and engagement principles that shape how private sector engagement is conducted and evaluated. These principles ensure that engagement processes are credible, inclusive, and development oriented.

Engagement under this framework is founded on inclusivity. Urban economies are composed of diverse enterprises across sectors, sizes, and degrees of formality. Engagement processes must therefore be designed to reach beyond the most visible or well-organized actors. Special attention is given to micro and small enterprises, emerging sectors, women and youth led businesses, and informal operators whose voices are often underrepresented yet economically significant.

Transparency is a central principle. Engagement processes, criteria for participation, dialogue agendas, and follow up actions are documented and communicated. Transparency reduces suspicion, manages expectations, and builds trust between institutions and private sector actors. It also strengthens accountability for agreed actions.

Evidence orientation guides engagement discussions. Dialogue is grounded in data and diagnostic findings rather than anecdote alone. Evidence based engagement improves the quality of discussions and supports consensus around priorities and solutions.

Reciprocity defines the engagement relationship. Engagement is not a one sided extraction of private sector views nor a platform for unmoderated demands. It is a structured exchange in which both public and private actors share information, constraints, and responsibilities. Solutions are codeveloped within realistic institutional and resource limits.

Continuity is emphasized over onetime consultation. Engagement is designed as a repeated and institutionalized process that builds relationships and tracks progress over time. This continuity enables learning, trust building, and cumulative improvement.

Accountability anchors the process. Engagement outcomes are recorded, assigned, and tracked. Urban Boards commit to reporting back on actions taken, while private sector actors are encouraged to participate constructively and consistently.
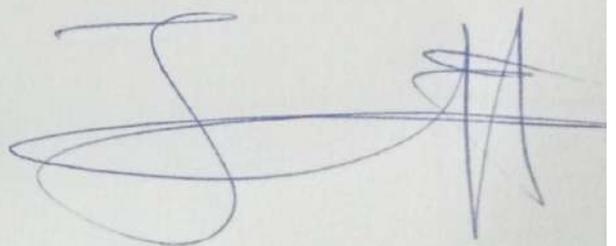
KEY ACTORS AND ROLES

Effective private sector engagement depends on clearly defined institutional roles. The framework assigns responsibilities across Urban Boards, urban management, county departments, and private sector representatives in a coordinated manner that reflects existing mandates.

The Urban Board serves as the primary steward of the engagement framework at the urban level. It provides strategic oversight, approves engagement plans and calendars, convenes dialogue forums, and ensures that engagement outputs are considered in planning and investment decisions. The Board safeguards inclusivity and transparency standards and reviews progress reports on engagement performance.

The Urban Manager and the urban administration provide operational leadership for engagement activities. This includes coordinating database development, overseeing diagnostics, organizing dialogue forums, managing communication channels, and ensuring follow up on agreed actions. The Urban Manager acts as the principal interface between the Urban Board and county technical departments in relation to engagement processes.

County departments play essential support roles. The ICT department supports database integration, data sharing protocols, and system maintenance. Planning and economic development departments contribute analytical inputs and align engagement outputs with planning instruments. Trade and licensing departments facilitate access to business registration and permit data. Finance departments support resource allocation and budgeting for engagement activities.

Private sector actors participate through multiple channels, including business associations, sector groups, enterprise clusters, and individual firms. Associations and representative bodies help mobilize participation and consolidate sector perspectives, while the framework also provides avenues for participation by nonaffiliated enterprises to maintain inclusivity.

Academic institutions, research organizations, and civil society organizations may contribute analytical support, facilitation expertise, and independent perspectives that enrich engagement quality.

Role clarity reduces duplication, prevents institutional gaps, and supports coordinated action across the engagement system.
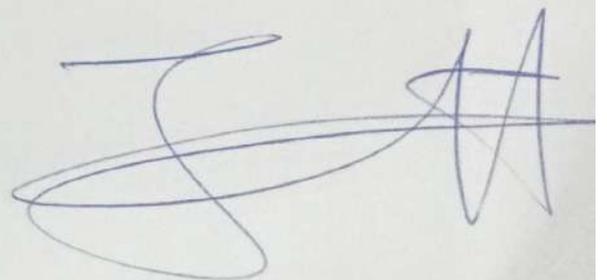
BENEFITS OF ADOPTING THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK

Adoption of this framework produces institutional, economic, and governance benefits for Urban Boards and their stakeholders. Structuring engagement improves the reliability and usefulness of private sector input into urban decision making. Decisions informed by enterprise realities are more likely to be practical, implementable, and economically impactful.

Urban Boards benefit from improved information flows about business conditions, sector trends, and investment constraints. This strengthens planning, regulatory review, and infrastructure prioritization processes. It reduces the likelihood of policy and investment misalignment and improves resource allocation efficiency.

For the private sector, the framework provides predictable and credible channels to communicate concerns, propose solutions, and understand public sector constraints. Predictable engagement reduces uncertainty and strengthens investor confidence. Businesses are more likely to invest and expand where institutions demonstrate openness, responsiveness, and procedural clarity.

The framework strengthens trust and working relationships between public and private actors. Regular, structured interaction reduces adversarial perceptions and supports collaborative problem solving. Over time, this contributes to a more stable and cooperative urban governance environment.

Institutionally, the framework builds engagement capacity within Urban Boards and county departments. It introduces systems, documentation practices, and performance tracking that improve professionalism and continuity in stakeholder engagement.

At the broader level, structured engagement contributes to more competitive, inclusive, and resilient urban economies by aligning governance decisions with economic realities and opportunities
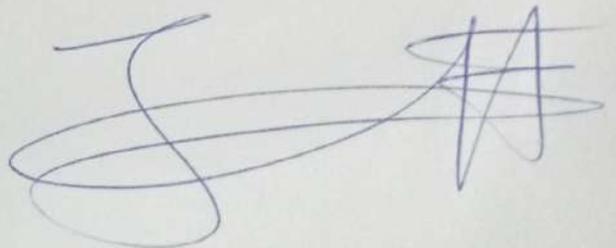
Components of the Private Sector Engagement Framework (PSEF)

Private Sector Database for Urban Boards

The Private Sector Database constitutes the central instrument for capturing, maintaining, and organizing information on businesses operating within urban areas. It is designed to support evidence based engagement, planning, investment prioritization, and monitoring of private sector development. The database provides urban boards with reliable, verifiable, and disaggregated information necessary for operationalizing the Private Sector Engagement Framework (PSEF) and will be designed for operational use by urban boards and must be maintained as a live system with periodic updates and verification cycles.

Specifically, the database enables urban boards to:

Maintain up to date records of enterprises, including formal and informal businesses.

Support structured public private dialogues and sector specific engagement.

Facilitate data driven decision making for urban planning, investment, and service delivery.

Enable clustering and segmentation of Micro, Small, and Medium Enterprises (MSMEs) to guide targeted interventions.

All database operations will comply with the Access to Information Act (2016), Data Protection Act (2019), and relevant county level policies governing data collection, sharing, and use.

1.2 Scope and Core Data Elements

The database captures enterprise information across seven key categories:

Table 1: Core Fields of the Private Sector Database

Category	Data Fields	Purpose
Business Identity	Business Name, Registration Number, Business Code	Provides a unique identifier for each enterprise and aligns with county sector classification.
Contact Information	Telephone, Email, Postal Address	Supports structured communication and formal engagement.
Physical Location	Physical Address, Geocoordinates, Municipality,	Enables spatial analysis, planning, and monitoring of private sector activity.
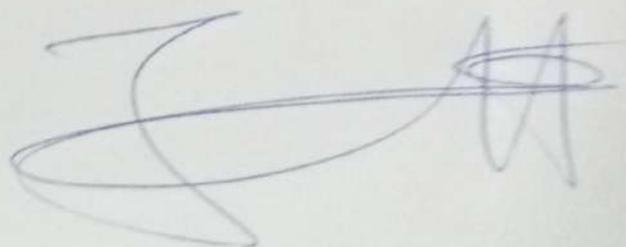
	Subcounty, Ward	
Sector and Activity	Industry Classification, Business Activity Description	Facilitates clustering, sector diagnostics, and investment prioritization.
Ownership and Registration	Ownership Type, Number of Owners, Registration Status	Informs compliance, governance, and targeted engagement.
Enterprise Size	Number of Employees, Estimated Turnover, Asset Range	Supports MSME segmentation and operational decision making.
Associations & Affiliations	Membership in Business or Professional Associations	Supports structured inclusion in dialogues, partnerships, and investment promotion.

1.3 Database Structure and Workflow

The database is structured to enable systematic data collection, validation, analysis, and reporting. It integrates county level data sources, primarily the Single Business Permit (SBP) portal, with locally collected enterprise data. Advanced systems may incorporate geo mapping and spatial analysis features to support planning and monitoring.

Figure 1: Private Sector Database Conceptual Flow

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┌─────────────────────────────────────────────────────┐
│ County SBP & Licensing Systems (Primary Source)       │
│                                                       │
│                                                       │
└─────────────────────────────────────────────────────┘
                          │
              Data Extraction (Filtered Access)
                          │
┌─────────────────────────────────────────────────────┐
│ Urban Board Private Sector Database                   │
│                                                       │
│                                                       │
└─────────────────────────────────────────────────────┘
                          │
               Categorization & Clustering
                          │
┌──────────┬──────────┬──────────┬──────────┬──────────────┐
│ Business │ Location │ Sector and│ Business │ Enterprise size│
│ identity │          │ activity  │ and      │              │
│          │          │           │ registration│           │
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┌─────────────────────────────────────────────────────┐
│           Associations & Dialogue Partners            │
└─────────────────────────────────────────────────────┘
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│  Reports, Planning, Engagement, Investment Prioritization │
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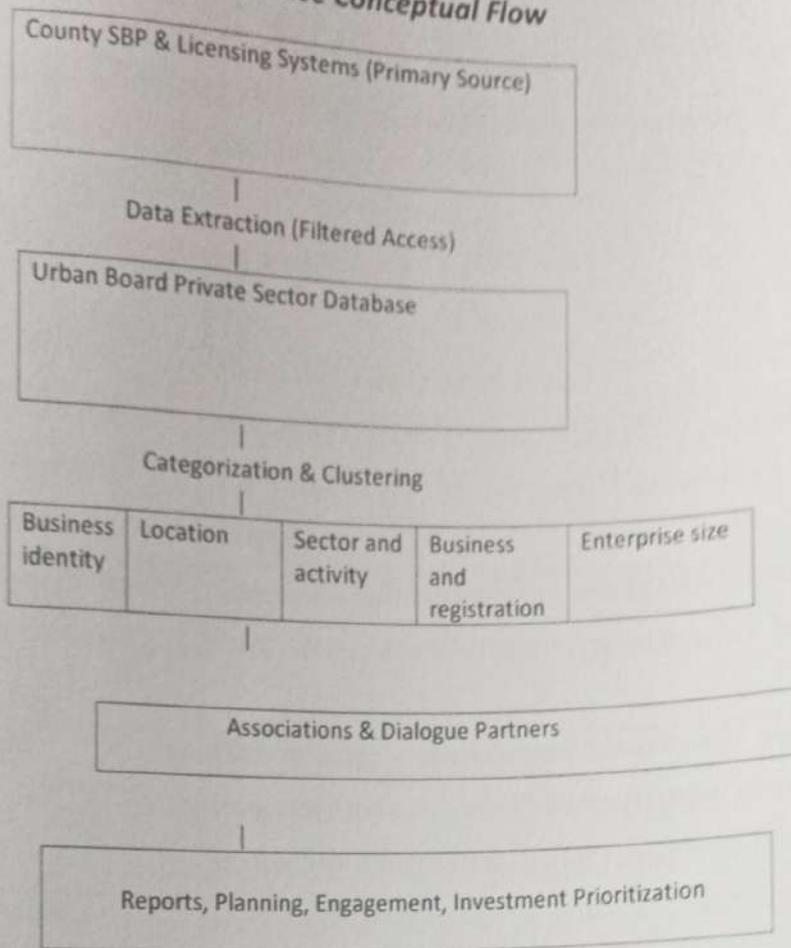
1.4 Roles and Responsibilities

The database is a governance tool. Its management and operationalization require clear allocation of roles and accountability.

Table 2: Roles and Responsibilities

Actor	Mandate / Operational Role
County Departments (Planning, Revenue, Trade, ICT)	Establish protocols for secure data sharing; provide access to licensing and SBP data; deliver ICT and database management support.
County Public Private Coordination Team (CPCT)	Coordinate technical support; ensure county level alignment and compliance; provide advisory support to urban boards.
Urban Board	Plan, resource, and oversee database creation and maintenance; integrate database operations into strategic and annual work plans; ensure data integrity and use for engagement and planning.
Urban Manager	Operational responsibility for database setup, management, and reporting; ensure data supports board decision making, sector diagnostics, and dialogue processes.

1.5 Implementation Steps

The database implementation will follow a systematic process to ensure reliability, accuracy, and operational use:

Database Field Definition: Incorporate minimum and additional fields into SBP and urban board systems to support disaggregation by urban area.

Data Sharing Protocols: Establish secure procedures for accessing, updating, and validating SBP data.

Database Creation and Maintenance: Populate the database with enterprise data; enrich with local verification and updates; utilize suitable software or advanced GIS enabled systems as resources allow.

Register of Associations and Partners: Maintain comprehensive registers for dialogue and Partnership mapping.

Training and Quality Assurance: Train urban board staff on data management; implement validation and verification procedures; provide ongoing technical support from county ICT departments.

Public Access: Establish procedures for public requests or access, in compliance with national and county legislation.

Annual Verification: Conduct yearly updates to ensure completeness, accuracy, and relevance for operational decision making.

1.6 Compliance and Performance Monitoring

Under the KUSP II performance framework, urban boards are required to demonstrate an operational private sector database by the second year of implementation. Compliance will be assessed against the following criteria:

- Database contains comprehensive and verified enterprise information.
- Data is organized by economic activity and administrative area.
- Associations and dialogue partners are accurately registered.
- Annual verification and updates are conducted.
- Database informs private sector engagement, planning, and investment prioritization.

The private sector database generated and managed by the urban boards will be used as the foundation for the Private Sector Diagnostic, guiding structured dialogues and urban planning interventions.

Private Sector Diagnostic

The Urban Board shall implement the Private Sector Diagnostic through a formally approved and institutionally supervised process designed to ensure analytical rigor, stakeholder inclusion, and policy usability of results. The process shall be executed under the delegated authority of the Urban Manager and overseen by the Urban Board in accordance with approved annual work plans and budgets.

The diagnostic shall commence with a formal definition of purpose and scope. The Urban Manager shall prepare a diagnostic concept note for Board approval that establishes the
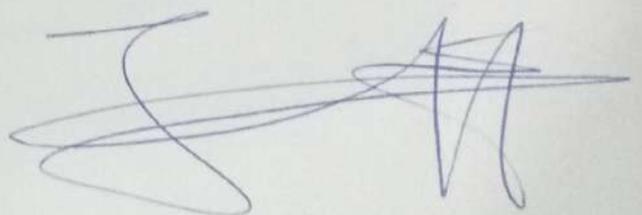
intended analytical focus, the decision areas to be informed, the sectors or geographic coverage where applicable, and the expected outputs. The defined objectives shall explicitly link the diagnostic to urban planning, regulatory review, investment prioritization, and structured engagement outcomes.

Following objective approval, the Urban Manager shall commission the diagnostic through approved procurement procedures. Terms of Reference shall be prepared using the toolkit templates and shall specify analytical framework, methodology, stakeholder coverage, reporting outputs, validation process, and disclosure requirements. Where required, the Board shall engage qualified consultants to undertake the analytical and field components of the diagnostic.

Prior to data collection, the Urban Manager shall ensure that all relevant stakeholders are formally identified and notified. This shall include county departments, regulatory authorities, private sector associations, enterprise groups, professional bodies, training institutions, and other relevant dialogue partners. Stakeholder identification shall be documented and approved as part of the diagnostic inception process.

Diagnostic Process Flow

Private Sector Diagnostic Board Led Execution Pathway

Phase	Institutional Step	Responsible Authority	Purpose and Implementation Meaning
1	Board Objective Approval	Urban Board	The Board formally approves the purpose and scope of the private sector diagnostic, confirming intended outcomes such as sector identification, constraint analysis, and intervention planning.
2	Diagnostic TOR Preparation	Urban Manager	Terms of Reference are prepared defining scope, methodology, deliverables, reporting structure, timelines, and toolkit alignment requirements.
3	Stakeholder Identification &	Urban Manager	Key public, private, institutional, and association stakeholders are mapped and

	Notification		formally notified to ensure structured participation.
4	Desk Research & Baseline Review	Technical Team	Review of plans, policies, budgets, sector reports, business environment studies, and existing enterprise data to establish baseline conditions.
5	Diagnostic Tool Development (4 Policy Levers)	Technical team with Board Oversight	Interview guides, survey tools, and consultation frameworks are developed based on the four policy levers: institutions & regulation, infrastructure & land, skills & innovation, enterprise support & finance.
6	Enterprise & Institutional Consultations	Technical Team / Urban Board Representatives	Structured interviews, firm consultations, and association workshops are conducted using approved diagnostic tools.
7	Urban Institutional Capacity Assessment	Technical Team + Board Secretariat	Assessment of Board mandate, capacity, fiscal space, staffing, reporting lines, and implementation readiness.
8	Data Consolidation & Lever Based Analysis	Technical Team	All findings are organized and analyzed under the four policy levers using structured analytical templates.
9	Draft Findings & Intervention Options	Technical Team	Evidence based findings and intervention options are prepared and aligned to Board mandate and local economic priorities.
10	PPDF Validation & Prioritization	Public–Private Dialogue Forum	Public and private actors review findings, validate constraints, and prioritize feasible interventions.
11	Board Adoption of Diagnostic Report	Urban Board	Final diagnostic report and intervention priorities are formally adopted through Board resolution.

| 12 | Public Disclosure & IDEP Integration | Urban Board / Manager | Report is disclosed publicly and integrated into IDEP and related municipal planning and investment instruments. |

Desk Research and Stakeholder Mapping Requirements

The diagnostic shall include a structured desk review of all relevant planning, policy, budgetary, regulatory, and assessment documents affecting the urban economy and business environment. This review shall include urban plans, IDEPs, sector strategies, regulatory frameworks, licensing procedures, infrastructure investment plans, and prior business environment studies. Existing datasets from the private sector database and county information systems shall be incorporated into the baseline assessment.

Stakeholder mapping shall be undertaken as a formal analytical exercise and not treated as an informal listing. The mapping shall classify actors by institutional role, sector relevance, influence, and engagement value, covering public institutions, private enterprises, associations, intermediaries, and knowledge partners.

Table 3: Stakeholder Mapping Classification Framework

Stakeholder Category	Mapping Dimension	Diagnostic Use
County & Urban Institutions	Mandate and regulatory role	Institutional constraint analysis
Enterprise Actors	Sector and size category	Business condition assessment
Business Associations	Representation coverage	Dialogue and validation
Support Institutions	Training, finance, BDS	Ecosystem mapping
Infrastructure Agencies	Service delivery role	Constraint and investment mapping

Diagnostic Tool Preparation Requirements

Diagnostic tools shall be prepared using the four policy lever analytical structure. Interview guides, enterprise survey instruments, and consultation templates shall be standardized and

aligned with the toolkit analytical framework. Tool preparation shall ensure comparability of findings across regulatory, infrastructure, skills, and enterprise support dimensions.

Table 5: Diagnostic Tool Structure by Policy Lever

Policy Lever	Tool Focus
Institutions & Regulations	Licensing timelines, compliance burden, dispute resolution
Infrastructure & Land	Service reliability, access gaps, zoning suitability
Skills & Innovation	Workforce adequacy, training alignment, innovation support
Enterprise Support & Finance	Access to finance, BDS availability, support program reach

Consultation and Data Collection Protocol

Consultations shall be conducted with both institutional actors and private sector representatives using structured instruments. County and urban officials shall be interviewed regarding regulatory, infrastructure, and institutional constraints and current mitigation actions. Enterprise consultations shall be drawn from representative samples generated from the private sector database to ensure sector and MSME coverage.

Association based workshops may be used to validate sector wide constraints and opportunity patterns. All consultation data shall be recorded using standardized templates aligned to the four policy levers.

Urban Institutional Capacity Assessment

The diagnostic shall include a structured institutional assessment of the Urban Board and related agencies to determine implementation readiness. The assessment shall examine mandates, organizational structure, fiscal status, staffing capacity, coordination mechanisms, and partnership execution ability. Identified gaps shall be translated into capacity development recommendations within the framework implementation plan.

Data Analysis and Interpretation Requirements

Diagnostic data shall be consolidated and analyzed using the four policy lever structure to ensure thematic consistency. A structured strengths, weaknesses, opportunities, and risks
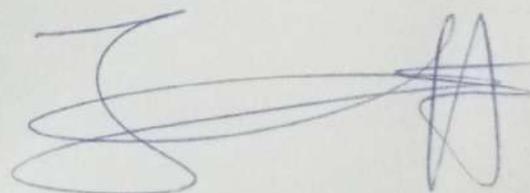
profile shall be developed for each lever area. Findings shall distinguish between regulatory constraints, infrastructure deficits, skills mismatches, and enterprise support gaps to enable targeted intervention design.

Validation and Intervention Prioritization

Diagnostic findings and proposed interventions shall be presented through the Public–Private Dialogue Forum for structured validation. The validation process shall confirm factual accuracy, feasibility, mandate alignment, and partnership potential. Intervention prioritization shall be conducted against institutional authority, resource feasibility, expected impact, and partnership readiness.

Table 6: Intervention Prioritization Criteria

Criterion	Assessment Basis
Mandate Alignment	Within Urban Board authority
Impact Value	Enterprise and job effect
Resource Fit	Budget and capacity
Partnership Potential	Codelivery feasibility
Implementation Readiness	Time and institutional capacity

Reporting, Adoption, and Disclosure

The diagnostic shall culminate in a formal report and action plan submitted to and adopted by the Urban Board. The report shall contain findings, prioritized interventions, assigned responsibilities, implementation timelines, and monitoring indicators. The approved report shall inform IDEP preparation and regulatory review processes and shall be made publicly accessible in accordance with applicable information and data protection laws.

Completion and disclosure of the diagnostic report shall serve as performance evidence under the applicable urban performance assessment cycle.

Public Private Dialogue Forum (PPDF) Framework

Rationale for Public Private Dialogue Forums

City and Municipal Boards shall establish Public–Private Dialogue Forums (PPDFs) as
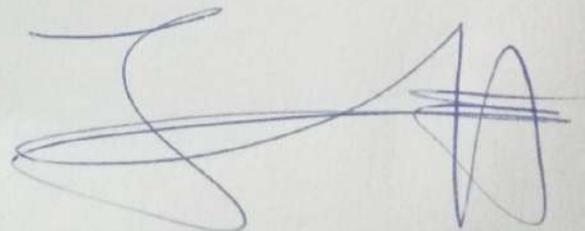
structured institutional platforms for continuous and purpose driven engagement between urban authorities, private sector actors, and other relevant stakeholders on matters affecting the business environment and inclusive urban economic development.

The PPDF serves as the formal interface through which the Urban Board engages enterprises and organized private sector representatives on regulatory conditions, infrastructure constraints, investment priorities, competitiveness barriers, and enterprise support measures.

The forum operationalizes structured consultation and ensures that private sector perspectives inform urban planning, policy formulation, investment prioritization, and regulatory review processes.

The PPDF is constituted as a formal governance structure with defined membership criteria, leadership arrangements, meeting schedules, agenda setting procedures, documentation standards, and reporting obligations. Forum outputs shall be transmitted through established Urban Board and County decision making channels for consideration, adoption, and implementation.

The dialogue platform supports alignment between private sector needs and the Urban Board mandate, institutional capacity, fiscal space, and regulatory authority. It enables consensus building around priority reforms and investments and strengthens accountability between the public and private sectors through documented commitments and follow up mechanisms. Forum outputs shall directly inform Integrated Development and Economic Plans (IDEPs), annual urban plans and budgets, land use and zoning plans, development control frameworks, and other regulatory and investment instruments under the Urban Board mandate.

Business Association Formation and Accreditation

Urban Boards shall promote structured private sector representation by encouraging enterprises, including informal sector operators, to organize into business associations, sector clusters, and membership based representative bodies.

Associations provide the primary institutional channel for structured dialogue and collective representation. Organized associations improve consultation efficiency, legitimacy of representation, and continuity of engagement.

Urban Boards shall maintain an official Register of Accredited Business Associations. Accreditation shall be guided by applicable Urban Areas and Cities Act draft regulations and shall require demonstration of:
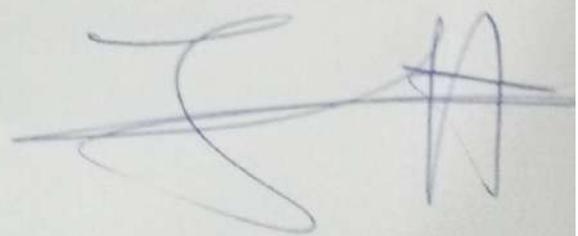
- formal governance structure
- transparent membership processes
- documented leadership and representation procedures
- meeting and decision records
- ethical and professional conduct standards

Accredited associations shall be recognized as legitimate dialogue partners and may formally submit proposals, reform requests, and investment recommendations through the PPDF structure.

Scope and Function of Dialogue Forums

The PPDF functions as a continuous institutional feedback and coordination mechanism. It supports policy and regulatory review through structured private sector input, investment prioritization through evidence based dialogue, business environment diagnostics, reform monitoring, and consensus building around competitiveness objectives.

The dialogue process establishes a continuous feedback loop between enterprise experience and public sector response, strengthening policy quality, implementation effectiveness, and institutional accountability.

Forum outputs shall be formally recorded and integrated into Urban Board planning, budgeting, and regulatory review processes.

Dialogue Partners and Stakeholder Categories

The PPDF shall include structured participation from stakeholder categories with mandates, resources or technical knowledge relevant to the urban business environment.

Table 7

Stakeholder Category	Institutional Role in Dialogue
County Departments and MDAs	Provide regulatory, infrastructure, planning, and service delivery perspectives
Professional and Research Institutions	Provide diagnostics, surveys, and technical evidence
Development Partners and NGOs	Provide programmatic and financing perspectives
Civil Society and Resident	Provide inclusion, environmental, and social perspectives

Associations	
Business Associations and Enterprise Clusters	Represent sector interests and investment constraints

KUSP II Performance Requirement Alignment

Under the KUSP II Urban Development Grant performance framework, Urban Boards are required to establish and operationalize a Public–Private Dialogue Forum as a performance standard. Compliance is assessed during performance appraisal cycles.

Urban Boards shall therefore formally constitute, resource, convene, and document PPDF operations, including meeting records, participant registers, resolutions, and follow up reports.

Institutional Roles and Responsibilities

Institution	Assigned Responsibilities
Urban Board	Establishes and authorizes the PPDF; approves governance structure; integrates outputs into IDEP and annual plans; allocates budget resources
Urban Manager	Operationalizes the PPDF; convenes meetings; manages secretariat; maintains records; coordinates follow up actions; publishes outputs
County Departments (Planning, M&E, ICT)	Provide technical support, data systems support, survey tools, and analytical assistance
CPCT	Provides interdepartmental coordination and technical capacity support
Private Sector Associations	Provide structured submissions and sector priorities
Dialogue Partners	Provide technical and stakeholder perspectives

PPDF Institutional Structure

Leadership of the PPDF shall be vested in the Urban Board member responsible for private sector or economic development matters. A designated private sector representative shall serve as Co-Chair.

A PPDF Secretariat shall be established under the Urban Manager, who serves as Forum

Secretary. The Secretariat manages logistics, documentation, agenda preparation, communication, and reporting functions. Technical officers may be coopted as required. Membership shall be open and inclusive of formal and informal enterprises and shall observe statutory inclusion principles, including the two thirds gender rule and representation of persons with disabilities. Accredited business associations shall be prioritized as representative members. Sector clusters may be recognized to streamline representation. Participating associations and clusters shall demonstrate internal consultation and representative mandate prior to participation.

Meeting and Reporting Cycle

The PPDF plenary shall convene at least twice annually and shall be scheduled to align with IDEP preparation cycles, annual planning and budgeting processes, and regulatory review timelines.

The Urban Manager shall publish the annual dialogue calendar and meeting agendas. Each meeting shall produce formal minutes documenting participants, deliberations, resolutions, and follow up actions. Records shall be maintained and made publicly accessible.

Dialogue Process Structure

Dialogue shall be organized around four competitiveness policy levers: institutions and regulation; infrastructure and land; skills and innovation; and enterprise support and finance. Discussions shall be evidence informed and supported by diagnostics, sector studies, spatial plans, and performance data. Sector specific and cluster dialogues may be convened between plenary sessions. Ad hoc dialogues may be convened to address urgent sectoral or regulatory matters.

Action Tracking and Accountability

The Urban Manager shall maintain an action tracking register capturing agreed interventions, responsible institutions, timelines, status updates, and reported outcomes.

Progress reports shall be presented to the PPDF plenary and submitted to the Urban Board. Where actions fall outside the Urban Board mandate, coordination shall be undertaken with relevant County or national agencies.
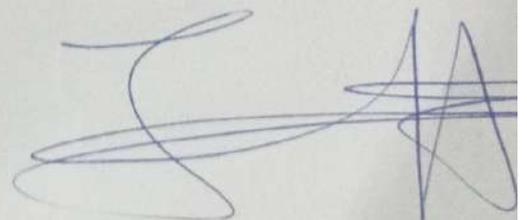
Linkage with Citizen Fora

PPDF outputs shall be presented within Urban Citizen Fora structures. Accredited business association representatives shall present agreed private sector priorities to ensure alignment between enterprise needs and broader urban development priorities. Citizen fora function as complementary accountability and consensus platforms and support integrated urban governance.

4. Capacity Building and Outreach

The Capacity Building and Outreach component of the PSEF ensures that both urban board staff and private sector actors are equipped with the technical knowledge, skills, and operational capabilities necessary to participate meaningfully in private sector engagement processes. It also ensures sustained institutional memory, continuity, and effectiveness in policy, planning, and dialogue processes.

Objectives:

- Strengthen technical and operational capacity of urban boards to conduct diagnostics, facilitate public private dialogue forums (PPDFs), manage data systems, and implement interventions identified in the Private Sector Engagement Framework.
- Enhance the private sector's knowledge, organizational capacity, and participation mechanisms, enabling effective engagement in urban planning, investment prioritization, and policy advocacy.
- Build continuous learning platforms to disseminate best practices, sectoral insights, and policy guidance to urban boards, enterprises, and associations.
- Promote inclusive participation by informal sector actors, women, youth, and persons with disabilities through targeted outreach and training initiatives.
- Ensure consistent application of governance, ethical, and professional standards among business associations and PPDF members.
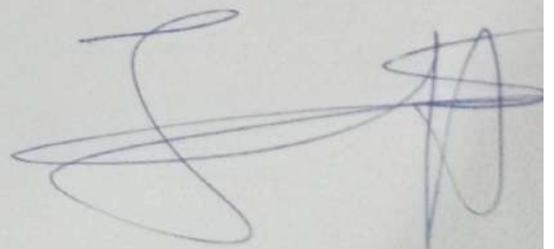
4.1 Capacity Building for Urban Board Staff

Table 8: Key Components:

Component	Description	Expected Outcome
Diagnostics & Analytical Skills	Training in private sector diagnostics, sectoral analysis, economic data interpretation, SWOT analysis, and database management.	Urban staff able to analyze private sector conditions, prioritize interventions, and generate actionable insights.
PPDF Facilitation	Training in organizing, convening, and chairing dialogue forums, stakeholder management, conflict resolution, and decision making processes.	Urban staff can conduct structured, inclusive, and evidence based public private dialogue.
Monitoring & Evaluation	Training in MEL frameworks, KPI tracking, and reporting.	Urban boards can measure performance, track outcomes, and adjust engagement strategies.
Policy & Regulatory Understanding	Training on UACA regulations, municipal bylaws, zoning, and urban development policies.	Staff can ensure compliance and facilitate implementation of interventions aligned with governance frameworks.

4.2 Capacity Building and Outreach for the Private Sector

Table 9: Key Components:

Component	Description	Expected Outcome
Association & Cluster Strengthening	Training business associations on governance, advocacy, internal processes, and effective representation of members'	Associations operate professionally, are credible, and provide a structured voice for their members.

		interests.
Business Skills & Innovation	Training in business planning, financial management, marketing, workforce skills, technology adoption, and innovation.	SMEs and enterprises improve competitiveness and ability to implement interventions identified in diagnostics.
Engagement in Urban Processes	Workshops on participation in PPDFs, IDEP, urban planning, policy review, and investment forums.	Businesses understand urban governance processes and actively engage in policy and investment planning.
Inclusivity & Representation	Targeted outreach to women led, youth led, and informal sector enterprises; support for accreditation under UACA guidelines.	Enhanced inclusivity, representation, and equitable participation in dialogue and decision making.

4.3 Integrated Urban Board–Private Sector Capacity Framework

To maximize effectiveness, capacity building must be coordinated between urban boards and private sector actors, with the urban manager acting as the focal point. The integration ensures that skills development aligns with institutional processes, diagnostic needs, and urban development objectives.

Table 10: Integrated Capacity and Outreach Alignment

Area	Urban Board Staff	Private Sector / Associations	Joint Outcome
Diagnostics & Data	Data analysis, sector diagnostics, reporting	Data provision, sector input, validation	Accurate, actionable economic and business insights
Dialogue & Engagement	PPDF facilitation, meeting organization	Active participation, cluster representation	Inclusive, structured public private dialogue
Policy & Regulatory	Urban governance, legal frameworks	Understanding of bylaws, UACA	Compliance and aligned implementation of

		accreditation	interventions
Innovation & Skills	Identification of skill gaps and support	Adoption of new skills, tech, and innovation	Market responsive workforce and competitive enterprises
Monitoring & Learning	MEL for interventions, reporting	Feedback on implementation, reporting	Continuous improvement and accountability

Expected Outcomes

Urban boards are equipped to conduct diagnostics, convene PPDFs, manage data, and implement private sector focused interventions.

Private sector actors are organized, informed, and capable of meaningful engagement in policy, investment, and planning processes.

Inclusive, equitable, and evidence based dialogue becomes institutionalized within urban governance structures.

Continuous learning and capacity reinforcement mechanisms support sustained effectiveness of the PSEF.

Communication and Feedback Channels

The Communication and Feedback Channels component of the PSEF ensures that both urban boards and private sector actors have structured, transparent, and timely mechanisms for sharing information, exchanging feedback, and tracking decisions and actions. This guarantees accountability, responsiveness, and adaptive management in urban governance and private sector engagement processes.

Objectives:

- Facilitate clear, timely, and reliable communication between urban boards, private sector actors, and other stakeholders.
- Enable structured feedback from the private sector to inform policy, planning, investment prioritization, and regulatory decisions.
- Institutionalize channels that allow tracking of actions arising from PPDFs, citizen fora, and private sector diagnostics.

- Support transparency, accountability, and evidence based decision making across urban development initiatives.
- Ensure inclusivity, accessibility, and responsiveness of communication mechanisms to formal and informal sector actors, women, youth, and persons with disabilities.

5.1 Communication Channels

Table 11: Key Channels:

Channel	Description	Responsible Entity	Frequency / Trigger	Purpose
PPDF Reports & Minutes	Documented outcomes, resolutions, and action points from dialogue forums.	Urban Manager / PPDF Secretariat	After each PPDF meeting	Provides official record, disseminates decisions, informs IDEP and urban planning.
Urban Board Website / Portal	Online platform for publishing PPDF outputs, diagnostics, policies, and announcements.	Urban ICT Officer	Continuous / Ad hoc	Public access to information, transparency, knowledge sharing.
Email / SMS Notifications	Alerts to private sector actors and stakeholders regarding meetings, deadlines, or policy updates.	Urban Manager / Secretariat	Triggered by events	Timely communication and stakeholder engagement.
Workshops & Sector Forums	Sector specific or cluster dialogues, including capacity building sessions.	Urban Manager / Cluster Leaders	Scheduled (e.g., quarterly)	Feedback collection, sector engagement, information dissemination.
Social Media	Urban board	Urban	Continuous	Broad outreach,

Platforms	managed channels for announcements, surveys, and dialogue engagement.	Communications Officer		engagement with informal sector and youth.
Suggestion Boxes / Feedback Forms	Physical or digital forms for stakeholders to submit feedback, complaints, or proposals.	Urban Manager / Secretariat	Continuous	Inclusive participation, especially informal actors and persons with disabilities.

5.2 Feedback Loop and Action Tracking

The feedback loop ensures that inputs from private sector actors and other stakeholders are recorded, reviewed, acted upon, and reported back, creating a virtuous cycle of accountability and continuous improvement.

Steps:

- ➤ Collection – Feedback is collected via PPDFs, sector forums, surveys, suggestion boxes, or digital platforms.
- ➤ Documentation – Feedback is logged in a centralized system, linked to specific interventions, actors, or policy issues.
- ➤ Analysis & Prioritization – Urban board staff review feedback, categorize by policy lever (Institutions & Regulations; Infrastructure & Land; Skills & Innovation; Enterprise Support & Finance), and prioritize for action.
- ➤ Action Assignment – Responsibilities are assigned to relevant departments, agencies, or private sector actors.
- ➤ Implementation – Actions are implemented, monitored, and documented.
- ➤ Reporting Back – Feedback contributors receive updates on actions taken; results are published in reports, digital platforms, or subsequent PPDF meetings.
- ➤ Continuous Learning – Lessons learned are integrated into future planning, policy, and dialogue processes.

5.3 Alignment to Four Policy Levers

Communication and feedback mechanisms are structured around the four competitiveness policy levers, ensuring that issues are addressed comprehensively

Table 11

Policy Lever	Communication Focus	Feedback & Reporting Mechanism
Institutions & Regulations	Clarity on licensing, permits, zoning, and legal frameworks	Policy surveys, regulatory workshops, PPDF discussions
Infrastructure & Land	Updates on roadworks, markets, public utilities, zoning, and land access	Digital dashboards, field surveys, cluster forums
Skills & Innovation	Information on vocational training, innovation programs, partnerships	Training sessions, innovation hubs, sector working groups
Enterprise Support & Finance	Availability of finance, BDS programs, market linkages	Business clinics, advisory services, targeted communications

5.4 Monitoring and Accountability

To ensure effectiveness, urban boards will:

- Maintain a central communication log, capturing messages sent, feedback received, and actions taken.
- Publish quarterly summaries of feedback responses and actions implemented.
- Track participation metrics in PPDFs, workshops, and surveys.
- Conduct annual audits of communication effectiveness, inclusivity, and responsiveness.
- Use monitoring results to refine communication channels, feedback mechanisms, and capacity building priorities.

Table 12: Illustration: Monitoring Dashboard Concept

Indicator	Target	Responsible
PPDF participation rate	≥ 80% of accredited associations	Urban Manager

Feedback response time	≤ 30 days	Secretariat
Private sector satisfaction with information flow	≥ 75%	Urban Manager
Inclusive participation (women, youth, PWDs)	≥ 30%	Urban Manager / PPDF Secretariat

Expected Outcomes

- Clear, timely, and transparent communication between urban boards and private sector actors.
- Effective feedback mechanisms that inform policy, planning, and investment decisions.
- Inclusive engagement that captures inputs from formal and informal enterprises, women, youth, and persons with disabilities.
- Accountability and learning embedded in communication processes, improving responsiveness and governance.

7. Monitoring, Evaluation, and Learning Framework (MELF)

The MELF ensures systematic tracking of PSEF implementation, assessment of outcomes, and continuous improvement through structured learning. It provides urban boards, private sector actors, and other stakeholders with evidence based insights to guide decision making, adaptive management, and accountability.

7.1 MELF Components

The MELF is structured around four key components:

- ➤ Performance Monitoring – Tracking implementation of planned activities, PPDF meetings, diagnostics, and capacity building initiatives.
- ➤ Outcome Evaluation – Measuring results of interventions, such as improved business environment, access to finance, infrastructure improvements, and workforce skills alignment.
- ➤ Learning and Adaptation – Capturing lessons learned, identifying emerging issues, and adjusting processes, resource allocation, or priorities.

> Reporting and Accountability – Disseminating results and feedback to boards, stakeholders, and the public to ensure transparency and inclusivity.

7.2 Monitoring Framework

The monitoring framework tracks inputs, activities, outputs, outcomes, and impact, using defined indicators aligned with the PSEF policy levers.

Table 13: MELF Monitoring Indicators

Policy Lever	Indicator	Target	Data Source	Frequency	Responsible
Institutions & Regulation	Number of regulatory reforms implemented based on diagnostic/PPDF input	≥ 3 per year	Urban Board Reports, IDEP updates	Annual	Urban Manager / Board
	Average processing time for business registration, licenses, permits	≤ 15 days	Urban Board Service Desk	Quarterly	ICT / Registry Office
Infrastructure & Land	Number of infrastructure projects influenced by PPDF priorities	≥ 2 per year	Urban Annual Plan / Budget Reports	Annual	Urban Manager / Planning Dept
	% of businesses reporting improved access to roads/utilities	≥ 75%	Enterprise Surveys	Annual	Data Management / Liaison Officers
Skills & Innovation	Number of vocational/training sessions delivered	≥ 4 per year	Training Reports	Annual	HR / Secretariat
	% of firms reporting skills alignment with	≥ 70%	Business Surveys /	Annual	Liaison Officers / HR

	labor market needs		PPDF Reports		
Enterprise Support & Finance	Number of SMEs accessing financial or advisory services	≥ 50 per year	Financial Institution Reports	Annual	Liaison Officers / Secretariat
	% of PPDF recommendations adopted by urban board	≥ 80%	Board Minutes / IDEP updates	Annual	Urban Manager / Secretariat

7.3 Evaluation Approach

Evaluation focuses on the effectiveness, efficiency, and relevance of the PSEF interventions. Key approaches include:

> SWOT Analysis Review: Regular review of the strengths, weaknesses, opportunities, and threats identified during private sector diagnostics and PPDF sessions.

> Periodic Surveys & Feedback: Collect input from private sector participants, business associations, and other stakeholders to assess satisfaction, engagement quality, and outcomes achieved.

> Impact Assessment: Evaluate improvements in business environment, enterprise performance, employment generation, and investment facilitation resulting from PSEF interventions.

7.4 Learning & Adaptive Management

Learning mechanisms ensure continuous improvement on handling PSE:

PPDF Debriefs: After each PPDF, review outcomes, lessons learned, and identify areas for refinement.

> Urban Board Learning Sessions: Share lessons from diagnostics, dialogue forums, and capacity building with staff, committees, and stakeholders.

> Annual MEL Review: Conduct a structured review of MELF indicators, assessing progress, identifying gaps, and recommending adjustments to policy levers, resources, or governance processes.

> Documentation & Knowledge Sharing: Maintain a knowledge repository including

diagnostics reports, PPDF resolutions, capacity building outcomes, and evaluation findings.

MELF Reporting and Feedback

The MELF Reporting Mechanisms will entail:

1) Quarterly Reports: Prepared by the Urban Manager and Secretariat, covering implementation status, actions taken, and challenges.

2) Annual Performance Report: Submitted to the Board for review, integrating diagnostics, PPDF outputs, capacity building, and resource utilization.

3) Public Disclosure: Reports and dashboards made available to stakeholders and citizens through online platforms, forums, and media.

Figure 3: MELF Reporting & Feedback Loop

Implementation / Activities

▼

Monitoring & Data Collection

▼

Analysis & Evaluation

▼

Learning & Recommendations

→ Urban Board Decisions / Policy Adjustments

→ Feedback to Private Sector (PPDF, Associations, Clusters)

7.6 MELF Dashboard

To facilitate real time tracking and visualization of PSEF progress, an interactive dashboard will monitor key indicators:

Table 14: Sample PSEF Dashboard Structure

| Policy Lever	Indicator	Target	Current Status	Trend
Institutions & Regulation	Reforms implemented			↑
Infrastructure & Land	Projects influenced			→
Skills & Innovation	Training sessions			↑
Enterprise Support & Finance	SMEs accessing support			↑
Engagement	PPDF meetings held			→
Feedback & Actions	Recommendations adopted			↑

Legend: ↑ Improving, → Stable, ↓ Declining

Expected Outcomes of the MELF

➤ Clear visibility of PSEF implementation progress and outcomes.

➤ Evidence based insights to inform urban board decisions and planning.

➤ Continuous improvement through structured learning and adaptive management.

➤ Enhanced accountability and trust between urban boards, private sector actors, and stakeholders.

➤ Institutionalized mechanism for linking diagnostics, PPDFs, capacity building, and policy interventions to measurable results.

Communication, Outreach, and Feedback Integration

This section establishes the formal communication, outreach, and feedback integration system required to support structured, continuous, and accountable private sector engagement under the Framework. It defines how the Urban Board and administration shall inform, reach, receive input from, and respond to private sector actors and stakeholders. The system is designed to ensure accessibility, transparency, traceability of feedback, and institutional responsiveness, and to enable engagement outputs to inform planning, regulatory review, and investment decisions.
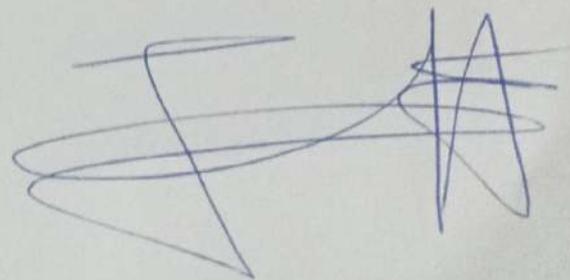
Communication and outreach functions under this Framework are not treated as publicity activities but as governance instruments that support participation, evidence collection, consensus building, and accountability.

Communication Objectives and Governance Purpose

Communication under the Framework serves three governance purposes.

It will ensures that private sector actors are informed in a timely and structured manner about engagement opportunities, diagnostics, dialogue forums, regulatory changes, and investment planning processes.

It will enable a two way information flow between the Urban administration and the business community to support evidence based decision making.

It will provide an institutional channel for documenting and integrating private sector feedback into urban policy, planning, and operational actions.

All communication shall be aligned to Board approved engagement calendars, consultation processes, and disclosure requirements. Messaging shall be factual, process oriented, and decision linked.

Target Audiences and Engagement Coverage

Communication and outreach activities shall be designed to reach the full diversity of the local private sector ecosystem and related stakeholders. Coverage shall include:

- formal enterprises,
- MSMEs,
- informal sector operators,
- sector clusters,
- accredited business associations,
- professional bodies,
- investors,
- cooperatives,
- business support organizations.

Outreach shall also extend to institutions that influence the business environment, including technical departments, training institutions, financial service actors, and civil society
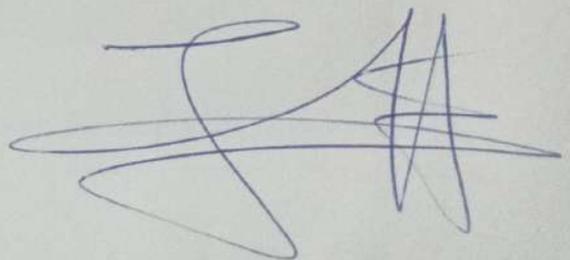
organizations involved in enterprise support and inclusive economic participation. Special outreach consideration shall be applied to underrepresented enterprise groups, including women led enterprises, youth enterprises, and enterprises operated by persons with disabilities, to ensure inclusive participation and representation.

Approved Communication Channels

The Urban administration shall maintain a multichannel communication system to ensure reach and accessibility. Official channels shall include formal notices, website or portal publications where available, public notice boards, licensed business registers, association mailing lists, and direct enterprise contact lists derived from the private sector database. Digital channels may include email circulation lists, SMS notifications, and approved social and digital platforms used for official announcements.

Physical outreach channels shall include stakeholder meetings, sector cluster forums, ward level outreach sessions, and business association platforms.
Channel selection shall be matched to target group characteristics to ensure effective reach, especially for informal and small enterprises with limited digital access.

Outreach Implementation Procedures

Outreach shall be implemented through planned, calendar based activities linked to diagnostics, dialogue forums, capacity programs, and planning cycles. The Urban Manager shall approve outreach schedules and ensure that notices are issued within reasonable lead times to enable meaningful participation.

Outreach processes shall use the private sector database and accredited association register to identify and notify relevant participants. Sector and cluster targeting shall be applied where discussions are industry specific or policy specific.
All outreach actions shall be documented, including invitations issued, channels used, groups reached, and participation response levels, to support accountability and continuous improvement.
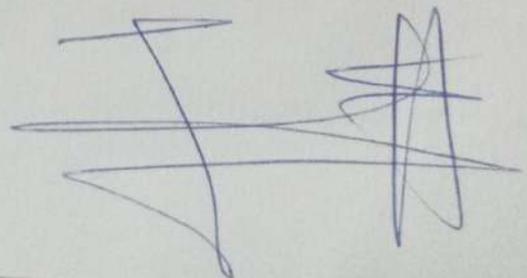
Structured Feedback Intake Mechanisms

The Framework establishes formal mechanisms for receiving private sector feedback. Feedback shall be received through dialogue forums, diagnostic interviews, structured surveys, written submissions, sector cluster consultations, and designated feedback channels managed by the Secretariat.

Standard feedback templates and submission formats shall be used where feasible to improve comparability and analysis. Submissions may include regulatory concerns, infrastructure constraints, service delivery issues, investment barriers, skills gaps, and enterprise support needs.

Feedback intake shall be logged, categorized, and assigned reference tracking identifiers to ensure traceability and follow up.

Feedback Processing and Integration

All received feedback shall be subjected to structured review and classification by the Secretariat. Feedback shall be grouped by policy lever, sector, geography, and issue type to support analysis and response planning.

Validated feedback shall be consolidated into periodic engagement reports and submitted to the Urban Manager and relevant technical departments for review and action consideration. Issues requiring Board attention shall be elevated through committee reporting channels. Feedback integration shall occur through defined pathways, including diagnostic reports, dialogue resolutions, regulatory review processes, service improvement plans, and investment prioritization discussions.

Response and Closure Protocol

Institutional credibility requires visible response and closure to stakeholder input. The Urban administration shall operate a response protocol that provides acknowledgement of submissions, review status, and outcome communication where action is taken or deferred. Responses may include regulatory clarification, referral to responsible departments, inclusion in planning reviews, scheduling for dialogue discussion, or incorporation into diagnostic analysis. Where issues fall outside Urban Board mandate, referral pathways shall be communicated.
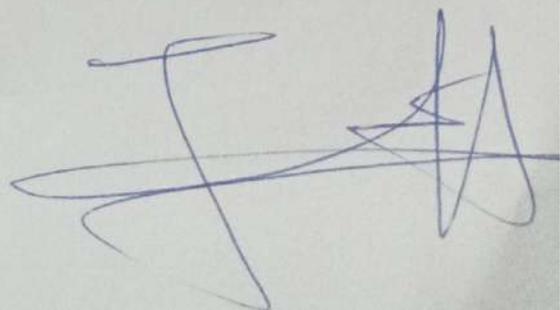
Periodic feedback response summaries shall be presented to dialogue forums and included in engagement performance reports to demonstrate responsiveness and accountability.
Documentation and Transparency Requirements

Communication and feedback processes shall maintain auditable records. Records shall include notices issued, outreach lists, participation registers, submissions received, classifications applied, actions assigned, and responses issued.

Nonconfidential engagement outputs, diagnostic summaries, and dialogue recommendations shall be made publicly accessible through approved disclosure channels. Data protection and lawful use limits shall be observed for enterprise level information.
Transparency measures shall support trust building and sustained participation by the private sector.

Continuous Improvement of Communication Systems

The Urban administration shall periodically review the effectiveness of communication and outreach channels using participation data, response rates, stakeholder feedback, and process audits. Adjustments shall be made to improve reach, inclusiveness, clarity, and timeliness.

Communication and feedback systems shall be updated as database coverage improves, digital capacity expands, and stakeholder networks mature. Continuous improvement shall be treated as an operational requirement rather than an optional enhancement.

Through these arrangements, communication, outreach, and feedback integration are established as permanent operational functions that support structured dialogue, informed decision making, and accountable private sector engagement.

8. Institutional Arrangements and Resource Framework.

This section establishes the governance, operational, financing, and accountability structure
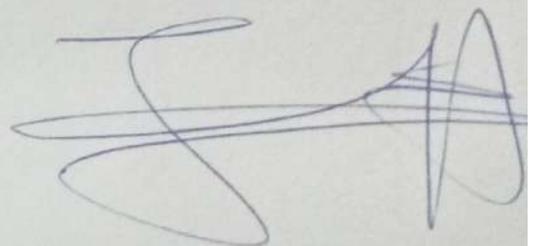
required to implement and sustain the Private Sector Engagement Framework (PSEF). It defines institutional mandates, coordination mechanisms, staffing responsibilities, resource requirements, and operational controls necessary to ensure that private sector engagement is continuous, structured, evidence based, and results oriented. The arrangements are designed to support formal adoption by the Urban Board and integration into existing urban governance, planning, and budgeting systems.

8.1 Governance Authority and Oversight

The Urban Boards shall serve as the approving and oversight authority for the implementation of the Private Sector Engagement Framework. The Board shall exercise policy direction, approve engagement priorities, adopt diagnostic findings, endorse dialogue outputs, and ensure that agreed actions are integrated into urban plans, budgets, and regulatory instruments.

Oversight responsibility shall be exercised through the relevant Board committee responsible for economic development, trade, investment, or business environment functions. The committee shall supervise execution, review progress reports, and submit periodic performance briefs to the full Board for decision and adoption.

The Board shall ensure that private sector engagement outputs inform statutory and operational instruments including integrated development plans, annual urban investment plans, sector strategies, regulatory reviews, and budget prioritization processes.

8.2 Executive Management Responsibility

The Urban Manager shall be the designated operational authority responsible for execution of the Framework. The Urban Manager shall translate Board approvals into operational programs and ensure that engagement systems, diagnostics, dialogue forums, and database functions are implemented according to approved procedures.

The Urban Managers will coordinate interdepartmental participation, supervise the PPDF Secretariat, manage diagnostic and engagement consultancies where applicable, ensure record

keeping and disclosure, and maintain institutional continuity of engagement processes across financial years.

Execution responsibility includes stakeholder notification, process scheduling, technical coordination, reporting, and followup tracking of agreed actions arising from diagnostics and dialogue forums.

8.3 Secretariat and Technical Support Structure

A Private Sector Engagement Secretariat shall be established within the urban administration to provide technical and administrative support for Framework implementation. The Secretariat shall operate under the direction of the Urban Manager and shall draw technical support from planning, economic development, ICT, monitoring and evaluation, and communications functions.

The Secretariat shall be responsible for maintaining the private sector database, preparing engagement calendars, organizing dialogue sessions, managing outreach logistics, consolidating consultation outputs, preparing technical briefs, and maintaining institutional records and action trackers.

Where internal capacity is limited, the Board may authorize technical support through county departments, intergovernmental technical pools, or competitively procured consultants, provided that knowledge transfer and documentation requirements are included.

8.4 Interdepartmental Coordination Mechanism

Implementation of the Framework shall operate through a structured interdepartmental coordination mechanism to ensure that private sector engagement informs operational decision making across sectors. Participating units shall include planning, finance, engineering, trade, environment, licensing, and ICT functions, depending on mandate distribution.

Coordination shall occur through scheduled technical coordination meetings convened by the Urban Manager or designated officer. These sessions shall review diagnostic findings, dialogue
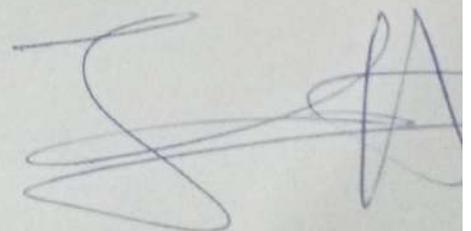
outputs, regulatory bottlenecks, infrastructure constraints, and investment priorities affecting the business environment.

Departments shall be required to provide technical inputs, sector data, regulatory status updates, and implementation feedback relevant to private sector competitiveness and service delivery performance.

8.5 Resource Planning and Budget Framework

Implementation of the Framework shall be supported through planned and approved budget allocations within the Urban annual work plan and budget. Resource planning shall cover:

* diagnostics,
* database development and maintenance,
* dialogue forum operations,
* outreach activities,
* capacity building programs,
* communication materials,
* monitoring functions.

Budget provisions shall be integrated within existing planning and budgeting cycles and aligned to eligible funding windows under urban development and governance support programs where applicable. Resource allocations shall be activity based and linked to measurable engagement outputs.

Eligible cost categories shall include technical studies, survey and data collection, stakeholder workshops, digital platforms, communications materials, training programs, facilitation services, documentation and reporting, and monitoring and evaluation activities. Financial execution shall comply with public financial management regulations and procurement rules.

8.6 Human Resource Requirements

Framework implementation requires designated focal persons within the Urban administration
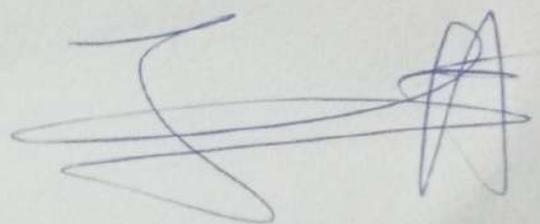
to ensure continuity and accountability. The Urban Manager shall designate a Private Sector Engagement Focal Officer responsible for day to day coordination.

Supporting officers shall be assigned from planning, ICT, M&E, and communications units to support database management, analytics, reporting, and outreach functions. Role clarity shall be documented through written task assignments and performance expectations. Capacity gaps identified during implementation shall be addressed through targeted training, technical assistance, and structured knowledge support programs.

8.7 Partnerships and External Support

The Urban Board may enter structured partnerships to strengthen Framework implementation capacity. Such partnerships may include research institutions, professional bodies, business associations, development partners, and technical agencies capable of supporting diagnostics, analytics, training, and engagement facilitation.

Partnership arrangements shall be formalized through written agreements defining scope of support, data governance conditions, deliverables, timelines, and reporting obligations. External partners shall operate within Board approved engagement protocols and data protection requirements.

External support shall complement, not substitute, institutional responsibility and shall include provisions for skills transfer and institutional strengthening.

8.8 Operational Procedures and Controls

Standard operating procedures shall be maintained for diagnostics, database management, dialogue processes, stakeholder consultations, and reporting. Procedures shall define approval thresholds, documentation standards, disclosure requirements, and record retention rules.

All engagement processes shall maintain auditable records including participant registers, consultation summaries, technical findings, adopted recommendations, and action tracking reports. Documentation shall be stored within approved records systems and be available for
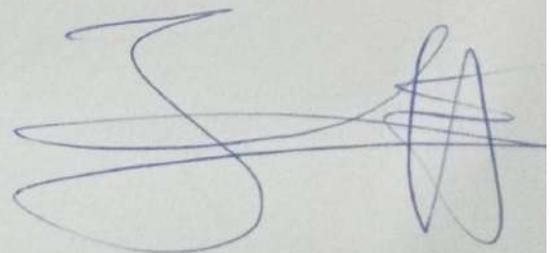
verification and performance assessment.
Quality control shall be applied through technical review of diagnostics, validation of consultation findings, and Board approval of formal outputs prior to adoption or publication.

8.9 Monitoring, Reporting, and Accountability

Implementation performance shall be monitored through defined output and process indicators including diagnostics completed, dialogue sessions held, participation coverage, action plans adopted, and integration of private sector inputs into plans and budgets.

The Urban Manager shall submit periodic implementation reports to the Board committee responsible for oversight. Reports shall include progress status, challenges, corrective actions, and resource utilization summaries.

Framework implementation records shall support statutory performance assessments and program verification processes where required. Public disclosure requirements shall be observed for adopted diagnostics, dialogue summaries, and action plans, subject to lawful data protection limits.

8.10 Sustainability and Institutionalization Measures

To ensure continuity beyond individual planning cycles, the Framework shall be embedded within official urban governance instruments, annual work planning processes, and departmental performance responsibilities. Engagement processes shall be calendar based rather than ad hoc.

Institutional memory shall be preserved through documented procedures, maintained databases, archived reports, and structured handover practices. Capacity development programs shall be periodically refreshed to maintain institutional competence.

Through these arrangements, private sector engagement is established as a permanent governance function rather than a project activity, ensuring predictability, credibility, and sustained partnership between urban authorities and the business community
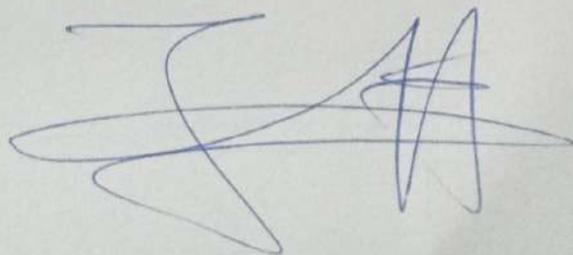
Enablers for Effective and Sustained Private Sector Engagement

Effective and sustained private sector engagement under this Framework depends on the establishment and continuous strengthening of institutional, operational, and governance enablers that allow structured collaboration between urban boards, county departments, and private sector actors.

These enablers are not treated as standalone support measures but as embedded operating conditions that must be planned, resourced, monitored, and periodically reviewed by the Urban Board as part of its core mandate in urban planning, investment prioritization, and service delivery oversight.

> ## Institutional Recognition
> Engagement is formally recognized as a standing governance function of the Urban Board rather than an ad hoc activity.
> Engagement must be anchored in **approved board resolutions**, integrated into **board committee mandates**, and reflected in **annual work plans and budgets**.
> Institutionalization ensures that engagement is consistent, not personality driven, and embedded in the board's planning and budgeting cycles.

> ## Structured Evidence Systems
> Private sector databases, diagnostic reports, dialogue outputs, and sector assessments function as an integrated evidence platform.
> Engagement decisions must be data driven. Dialogue agendas, outreach targeting, and intervention prioritization should be demonstrably linked to business data, sector mapping, and performance analysis, ensuring participation is representative and responsive.

> ## Procedural Predictability
> Engagement processes are scheduled, rule based, and transparent. Predictable **dialogue calendars, published agendas, documented participation criteria, and formal followup reporting** build procedural trust, reduce uncertainty, and allow businesses to prepare **evidencebased submissions** aligned with their own planning cycles.

> ## Capacity Readiness (DualTrack)
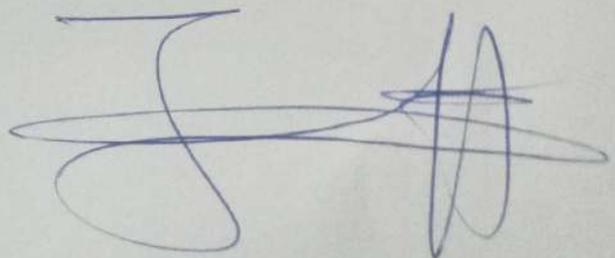
Both public and private sector actors possess operational capacity to participate effectively.

The Urban board members, secretariat staff, and technical officers must convene, analyze, document, and follow through on outputs. Simultaneously, business associations and enterprise clusters require capacity to articulate priorities, validate member positions, and engage in structured dialogue. Capacity building is therefore mutual, not onesided.

➢ Digital and Administrative Infrastructure

Functional licensing systems, database access, communication platforms, records management, and public information portals support participation. Administrative systems reduce transaction friction and improve reach and responsiveness. Efficient digital tools allow data sharing, outreach, meeting management, and feedback tracking without excessive manual processing.

➢ Leadership   Continuity   and   Accountability   Culture

Visible commitment from Urban Board leadership and an accountability culture sustain engagement. When the **Urban Board Chair, committee leads, and Urban Manager** consistently signal that dialogue outputs inform decisions, participation is more substantive. **Accountability mechanisms** including **publication of responses, action tracking, and performance reporting** reinforce credibility and maintain stakeholder confidence.

Challenges, Risks, and Mitigation Strategies

Fragmented Institutional Coordination

Risk: Engagement functions span multiple departments (planning, trade, licensing, ICT, finance). Without defined coordination protocols, inputs from private sector dialogues may fail to reach decision making forums or be inconsistently acted upon.

Mitigation: Assign coordination responsibility to the Urban Manager, establish
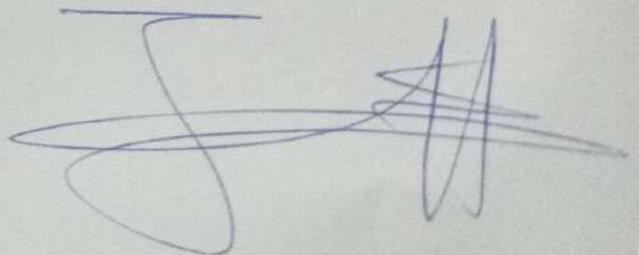
interdepartmental technical focal points, and maintain documented data sharing and reporting procedures to ensure engagement outputs are efficiently communicated and actioned.

Strategy: Fragmented coordination can result in duplication of efforts, delayed decisions, or lost insights. Centralized coordination with departmental inputs ensures engagement outputs are consolidated, analyzed, and effectively integrated into urban plans, policies, and budgets.

Representation Imbalance and Stakeholder Capture

Risk: Dialogue platforms may be dominated by well resourced actors, excluding MSMEs, informal enterprises, women led businesses, and emerging sectors, leading to distorted Priorities and reduced legitimacy.

Mitigation: Use **database based stakeholder mapping**, implement **cluster representation rules**, enforce **accreditation standards for associations** and **inclusion criteria**, and conduct **periodic membership reviews** to maintain diversity.

Strategy: Balanced representation ensures that decisions reflect the broader urban business ecosystem. Accreditation and cluster based participation provide a formal structure for fair participation and sustained legitimacy.

Data Quality and Information Misuse

Risk: Engagement decisions based on **incomplete or outdated business data** can misdirect resources and reduce effectiveness. There is also risk of **improper disclosure of enterprise information**.

Mitigation: Establish **database quality assurance protocols**, conduct periodic data **validation and verification exercises**, implement **controlled access rules**, and ensure **compliance with lawful data protection and access requirements**.

Strategy: Accurate and secure data underpins evidence based engagement. Verification exercises and secure data management maintain trust among private sector participants while ensuring informed decision making by urban boards.

Operational Fatigue

Risk: Engagement forums without clear agendas, follow up actions, or visible outcomes
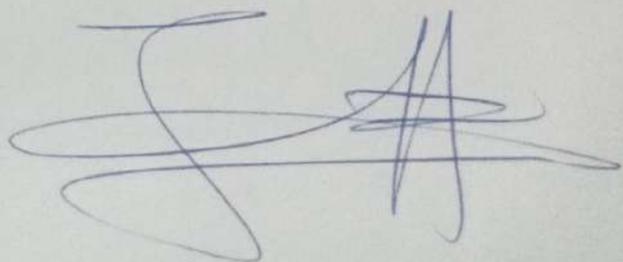
can lead to declining private sector participation over time.

Mitigation: Enforce **agenda discipline**, maintain documented resolutions and action tracking, and provide **structured feedback reports** to show participants how their input influenced urban plans, budgets, or regulatory actions.

Strategy: Consistent and visible outputs reinforce stakeholder confidence. Structured follow up demonstrates that participation has tangible impact, maintaining engagement momentum and trust in the process.

Resource Constraints

Risk: Engagement activities require **staff time, facilitation resources, communication tools, and analytical support.** If not adequately budgeted, forums may become irregular and ineffective.

Mitigation: Explicitly **cost engagement activities** and include them in **annual urban plans and budgets,** ensuring **allocation of human, financial, and technical resources** to support ongoing dialogue, data management, and reporting.

Strategy: Sustainable engagement depends on predictable resourcing. Embedding costs into standard planning and budgeting cycles allows urban boards to maintain high quality, continuous engagement programs.

Political Transition Risk

Risk: Changes in political leadership can **interrupt engagement continuity,** leading to inconsistent prioritization and disengagement by private sector actors.

Mitigation: **Formally adopt the Framework** through board resolutions, document **procedures, roles, and responsibilities,** and maintain **record systems** that safeguard engagement history, commitments, and action tracking beyond individual office holders.

Strategy: Political transitions are inevitable. Embedding the Framework in institutional instruments and documented processes ensures engagement systems remain resilient, continuous, and insulated from leadership changes.
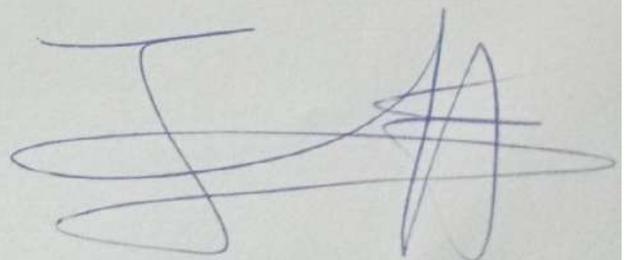
Performance and Accountability Framework

Implementation Measurement

Engagement commitments are converted into observable and verifiable performance actions. The Urban Boards must demonstrate that core engagement systems including the private sector database, diagnostics, dialogue forums, and communication channels are operational, periodically updated, and producing measurable outputs. Evidence includes records, publications, meeting outputs, database reports, and action tracking registers.

Role Linked Accountability

Accountability is assigned through defined roles across the Urban Board and supporting institutions including;

- **Urban Manager** – Operational accountability for execution, coordination, reporting, and follow up.
- **Committee Chairs** – Functional accountability for ensuring engagement outputs are considered within planning and budgeting deliberations.
- **County Technical Departments** – Support accountability for providing data, ICT, and analytical inputs.
- **Urban Board** – Oversight accountability for overall Framework implementation.

Performance Verification

This is based on documented outputs rather than declarations and required records include **database update logs, diagnostic reports, dialogue minutes, participation registers, action matrices, and public disclosure records,** which provide an audit trail confirming compliance with Framework procedures.

Review Cycles

Engagement performance is reviewed alongside planning and budgeting processes. Annual review cycles align with plan preparation, budget formulation, and reporting timelines. Corrective measures include capacity support, procedural adjustments, or resource reallocation when gaps are identified.
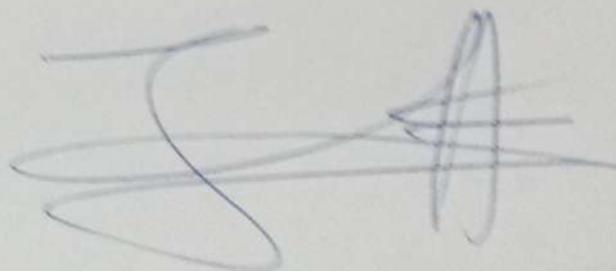
Transparency and Public Disclosure

Public availability of engagement outputs strengthens credibility and accountability. Decisions, action responses, and dialogue outcomes must be published through official communication channels, reinforcing stakeholder confidence and showing how participation influences decisions.

PSEF Considerations for Sustainability

Sustainability of the Framework is defined as the continued, effective operation of engagement systems across planning cycles, leadership transitions, and resource fluctuations. Sustainability is treated as an institutionalization requirement embedded in governance, systems, and capacity structures.

Legal and Procedural Anchoring

Formal institutionalization ensures continuity and the engagement processes must be embedded in approved board instruments and committee mandates for resilience to personnel and political changes.

Financial Sustainability

integrating the private sector engagement into annual budgeting will ensure costs for database management; diagnostics, forum facilitation, communication, and capacity building are planned and predictable.

Operational Sustainability

Skills transfer and institutional memory maintain continuity through trainings, SOPs, templates, and documentation to ensure private sector engagement continues despite staff turnover.

Stakeholder Sustainability

Participation endures when value and fairness are evident. Inclusive representation, consistent follow up, and visible decision linkages reinforce trust and commitment.

Adaptive Management

Engagement processes must evolve based on performance and feedback. Periodic review and
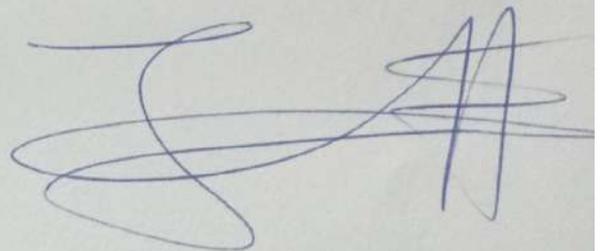
refinement allow adjustments without compromising institutional integrity.

Institutional Resilience

Through institutional anchoring, predictable resourcing, documented procedures, capacity continuity, accountability systems, and adaptive review, the Framework operates as a durable governance mechanism for structured, evidence based, and accountable collaboration between urban authorities and the private sector.
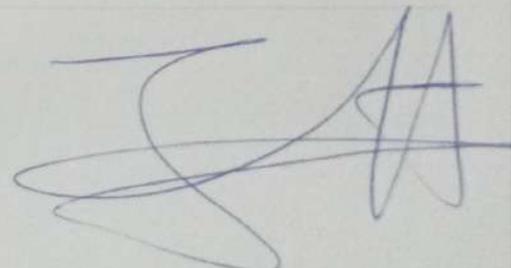
Annex 01: KUSP II UIG MCs and the indicators

Minimum Condition (MC)	Start date	Indicator
MC1: County government has committed itself to participate in KUSP2	APA 1 (FY23/24)	The County Governor has signed an Intergovernmental Agreement stating that the county will participate in KUSP2 and adhere to its POM.
MC2: County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS)[6] that integrates aspects of climate resilience and disaster risk management	APA 1	County government has prepared a CUIDS approved by the county executive. County government has included the proposed UIG activities in the County Annual Development Plan and Budget.
MC3: Use of previous year's UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM	APA 2 (FY24/25)	Annual county expenditure statement shows that the county has followed approved annual County Annual Development Plan and UIG expenditure guidelines and POM.
MC4: County government has utilized at least 50 percent of the UIG towards activities benefiting eligible urban boards participating in KUSP2	APA 2	Annual County Development Plan shows at least 50 percent of funds is allocated towards activities benefiting eligible urban boards participating in KUSP2. Expenditure statement validates the actual use of the funds accordingly.
MC5: County government has utilized at least 30 percent of funds for climate change related activities within the eligible expenditure menu in categories (1) Policy/regulatory, (2) Urban Planning, (4) Urban Resilience, (5) Asset Management, (8) Capacity Building	APA 2	Annual County Development Plan shows at least 30 percent of funds is allocated for climat e related activities. Expenditure statement validates the actual use of the funds accordingly.

UDG PERFORMANCE STANDARDS

Results Area	Performance Standard		Indicator(s) and Scoring	Assessment Procedure	Means of Verification
RA4	PS11: Implementation of the	APA 2 AUGUST 25 APA 3 AUGUST 26	• The participating urban board has: a) **developed a database of local businesses.** b) updated the database on an annual basis. **[SCORE = 6]**	**Uptodate business enterprise database.** Obtain a database of businesses for each participating board and review whether the database is clustered by economic activity, contains basic business information (name of the business, business code per sector/industry, time in operation, nature of business, contact address including geo with Data Protection Act of 2019) and has been updated (annual verification). This includes adding or removing businesses and updating their information (change in activity, etc.)location), is publicly available (in accordance	Uptodate business enterprise database. Online database of businesses for each participating board *(updated annually)*
			• The participating urban board has held at **least two public private dialogue (PPD)** meetings during the past 12 months. **[SCORE = 4]**	**PPD meetings/consultations.** Records and minutes of the meetings that include a list of participants, a summary of deliberations, including private sector input to urban development plans. Minimum of two meetings per year (annual verification).	PPD meetings, consultations. Reports on meeting's deliberations and private sector input to inform urban development plans *(minimum 2 engagements per year)*
RA4	PS11: Implementation of the	APA 3 AUGUST 26	1. Private sector needs diagnostic: the participating urban board has: c) completed a comprehensive private sector d) publicly disclosed the private sector needs diagnostic. **[SCORE = 5]** **TOTAL SCORE = 15**		

Tools and Templates

Annex 02: Private Sector Database
Data fields for the private sector database

The table below indicates data fields that could be used for a simple excel database. It indicates the data captured in the SBP application form.

Field name	SBP	Data types
Name of business	Yes	
Business no (issued during licensing)	Yes	
Certificate of registration no	Yes	
Business ownership structure: sole proprietor, partnership, limited liability, other legal entity	No	Select from drop down list of different entity types: business name; private limited company; limited; company limited by guarantee; limited partnership; foreign company; trust; other legal entity
Gender of proprietor/majority shareholder		
Certificate of registration no	Yes	
Year of registration/incorporation	No	
Years in operation	No	Range of year: < 1 yr; 2 – 3 yrs; 4 5 yrs; 6 – 10 yrs; over 10 yrs
Business Permit no	No	
Date of permit issue	No	
Industry/sector (code)	Yes	Drop down list based on the KeSIC codes
Business activity (code)	Yes	Drop down list based on the KeSIC codes
Business activity description (code)	Yes	
Mailing Address: PO Box, Postal Code	Yes	
Phone number	Yes	
Email address	Yes	
Physical address	Yes	
Plot no	Yes	
County	Yes	Drop down list of all counties
City/Municipality	No	Drop down list
Sub county	No	Drop down list
Ward	No	Drop down list
Geolocation (GIS coordinates)	No	
Land zone (if any/if known)	No	Drop down list
*No of employees	No	Drop down categories: Single individual/sole proprietor/trader Micro: Less than 10 Small: 10 – 49

Total size of premises (m²)		Large: over 250
Property/land use data (ownership)	No	
*Financial data (gross annual turnover for last year) KES range	No	
	No	Drop down categories: Micro: <500,000 Small: 500,001 – 5 million Medium: 5,000,001 – 100,000,000
Business affiliation i.e., membership in trade/business/professional associations or Cooperative	No	
Other licenses and permits for specific business activities	No	

*MSME Categories as defined Micro and Small Enterprises Act (2012)

Annex 3: Private Sector Database Fields Template

Annex 4: Private Sector Diagnostic

Sample Diagnostic Report Template

[Logo]

[Name] City/Municipality Private Sector Diagnostic Report Contact Information

City/Municipal Contact

Name: [Enter name] **Department:** [Enter department] **Position:** [Enter position]

Contact Details: [Enter contact details] Report

Prepared By

Name: [Enter name]

Position: [Enter position]

Contact Details: [Enter contact details]

Date:

Executive Summary Summarized background

[Provide a brief overview of the diagnostic purpose and scope]

Key Findings

[Summarize the key findings of the diagnostic]

Conclusions

Recommendations

[Highlight the main recommendations based on the findings]

1. Introduction

1.1 Background

[Provide background information on the private sector, business environment in the city/municipality, including economic context and relevance of the diagnostic]

1.2 Objectives of the Diagnostic Analysis

[Outline the objectives of the diagnostic]

2. Situational Analysis

2.1 Overview of the Local Business Environment and Private Sector Competitiveness

2.2 Economic Context

[Provide an overview of the local economic context, including key industries, economic indicators, and demographic information]

2.3 Key Sectors

[Identify and describe the key sectors within the private sector]

2.4 Stakeholder Map

[List major private sector stakeholders and their roles]

3. Approach and Methodology

3.1 [Describe the approach used to conduct the diagnostic, including data collection and analysis methods]

3.2 [Describe methodology used to conduct the diagnostic, including data collection and analysis methods]

1. SWOT Analysis

1.1 SWOT Analysis

[Present a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) of the private sector based on the four policy levers]

1.2 Summary of Key Challenges

[Identify and describe the main challenges faced by the private sector]

1.3 Institutional analysis

[Illustration of potential roles across the different levels of government and other stakeholders. Use the Illustrative output provided in TCC Step 3]

2. Findings of the Analysis

5.1 Policy Levers for Competitive Cities/Municipalities

5.1.1 Lever 1: Institutions and Regulations

[Assess the local institutions and regulatory framework impacting the private sector]

5.1.1.1 Business Regulations

[Evaluate business registration processes, licensing, and compliance requirements]

5.1.1.2 Governance and Corruption

[Examine the impact of governance and corruption on private sector growth]

5.1.2 Lever 2: Infrastructure and Land

[Evaluate the availability and quality of infrastructure and land resources]

5.1.2.1 Transport Infrastructure

[Assess the quality of roads, ports, airports, and public transportation]

5.1.2.2 Utilities

[Examine the availability and reliability of utilities such as electricity, water, and internet]

5.2.2.3 Land Availability and Use

[Evaluate land use policies, availability of commercial land, and property rights]

5.1.3 Lever 3: Skills and Innovation

[Analyze the availability of skilled labor and the level of innovation in the private sector]

5.1.3.1 Education and Training

[Assess the education system and vocational training programs]

5.1.3.2 Labor Market Dynamics

[Examine labor market conditions, employment rates, and skills gaps]

5.1.3.3 Research and Development

[Evaluate the level of investment in research and development and the support for innovation]

5.1.4 Lever 4: Enterprise Support and Finance
[Assess the availability of support and finance for enterprises]

5.1.4.1 Access to Finance
[Examine the availability and accessibility of financial services for businesses]

5.1.4.2 Business Support Services
[Evaluate the availability and effectiveness of business development services and support programs]

6. Monitoring, Evaluation, Learning and Reporting
[Describe how the implementation of the PSEF will be monitored, Evaluated, Lessons learnt documented and shared and how reporting will be done. Include an M&E framework with indicators]

6.1 Monitoring
6.2 Evaluation
6.3 Learning
6.4 Reporting

7. Capacity Building and training
7.1 Strategic Initiatives
[Outline strategic initiatives for addressing key challenges and leveraging opportunities]

7.2 Partnership Opportunities
[Identify opportunities for publicprivate partnerships and collaborations]

8. Conclusion
8.1 Summary
[Provide a concise summary of the report's main points and findings]

8.1.1 LeverSpecific conclusions

8.1.1 Policy, institutional legal and regulations
[List specific Policy, institutional legal and regulations for improving institutions and regulations]

8.1.2 Infrastructure and Land
[List specific recommendations for enhancing infrastructure and land use]

8.1.3 Skills and Innovation
[List specific recommendations for improving skills and fostering innovation]

8.1.4 Enterprise Support and Finance
[List specific conclusions for increasing enterprise support and access to finance]

8.2 Next Steps
[Outline the next steps to be taken following the diagnostic]

9. Recommendations of Priority Interventions
[Including all potential interventions that will address the constraints facing the private

9.1.1 Policy, institutional legal and regulations
[List specific Policy, institutional legal and regulations for improving institutions and regulations]

9.1.2 Infrastructure and Land

[List specific recommendations for enhancing infrastructure and land use]

9.1.3 Skills and Innovation

[List specific recommendations for improving skills and fostering innovation]

9.1.4 Enterprise Support and Finance

[List specific recommendations for increasing enterprise support and access to finance Annex 1:

Implementation Matrix

No	Action Description	Responsible Party	Timeline	Resource Requirement

Reference

Annexes and Appendices

✓ Data Tables

[Include any relevant data tables used in the analysis]

✓ Additional Information

[Include any additional information, such as list of actors consulted, detailed stakeholder profiles, case studies,

Annex 5: Public Private Dialogue Forum

Draft TOR for the PPDF Secretariat led by the Urban Manager

1. Convene forum and manage the operation of the dialogue forums. Using the register of business associations and database to identify members meeting established criteria to participate in the forums.
2. The Manager will draft the TOR of the forum including:
   - the goals and objectives of the PPDF, the functions, roles and responsibilities, the structure, membership criteria and relationship to other public participation and stakeholder engagement and governance processes based on review of the existing policy framework and ensure alignment with the county government and urban board institutional and organizational framework.
   - the governance arrangements (relationship with existing structures)
   - the management and operations including TOR for secretariat, budget, calendar, forum management tools and accountability and performance framework.
3. Set calendar, and draft agenda, manage forums and outputs for different working groups.
4. During first meeting facilitate establishment of PPDF committee (chair/cochair, secretary) and working groups aligned to the policy levers i.e., the institutional and regulatory review, urban planning, infrastructure and land, skills and innovation, finance and enterprise development support, specific industry/sector groups. The working groups carry out necessary analytical work supported by the Urban Manager and meet as necessary and advice the plenary. Additional members coopted as necessary from public and private entities to provide inputs.
5. The private sector representatives will serve in relevant roles on the committee and contribute technical, administrative and/or material support its operations.
6. Ensure members meeting established criteria to participate in the forums.
7. Resource Mobilization: Prepare resource frameworks, both financial and human, to support the operations of the forum. Prepare budget for forum activities including assessments, surveys, research to inform the forum for inclusion into the annual plan and budget through relevant departmental budget. Prepare resource mobilization strategy including seeking donor support or leveraging sponsorship/inkind contributions from the private sector and participating stakeholders.
8. Capacity building and outreach for both internal departments within the urban organization and outreach amongst private sector, relevant institutions, CSOs and other actors.
9. Hold regular quarterly meetings and adhoc sector specific or issuebased forums using the mapping to ensure inclusive and targeted engagement. Facilitate meetings to encourage open participation, cocreation and programming, and learning. The forums will be timed and aligned for the outputs to inform the various county and urban plan preparation and budget processes.
10. Create and maintain mechanisms that facilitate twoway communication, inclusive access to information, and records and knowledge management.
11. Commission and coordinate with relevant departments and private sector actors and stakeholders the conduct of local economy assessments, private sector diagnostics, surveys, research and data analysis to influence/inform policy and intervention.
12. Prepare and implement a monitoring framework to track, monitor and report on the forum activities and outputs. Follow up actions and recommendations from the forum with the relevant departments/stakeholders ensuring they are incorporated into relevant county processes/documents for executive or legislative action and approval.
13. Manage communication and knowledge and records management. Ensure feedback is provided to the forum members and monitor the performance of the forums i.e., activities and outputs against the results and monitoring framework.
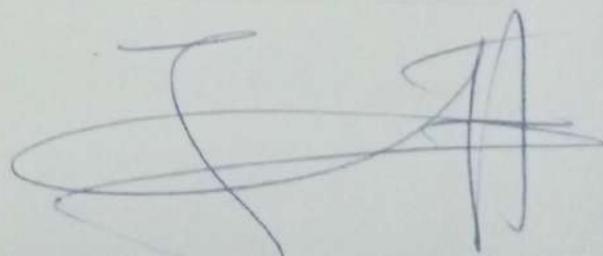
City/Municipality PublicPrivate Dialogue Forum Record

Date of Dialogue:

Location:

Duration: Start time: End time:

Facilitator/Moderator: Enter name and position

Participants: Attach list of participants

Objectives of the dialogue:

Agenda:

Summary of Discussions: Provide a detailed summary of the discussions that took place covering each agenda item

Agenda Issue	Key discussion points:	Key agreements and decisions (see agreed action plan attached)

Remarks/ Participant Feedback: Summarize feedback received from participants regarding the dialogue process and outcomes

Resolutions/Conclusions: Describe any resolutions/conclusions to be taken based on the dialogue outcomes

Contact Information for Followup
Municipality Contact: [Name, Department, Position, Contact Details] **Private**
Sector Contact: [Name, Position, Contact Details] **Attachments**
- PPDF action plan
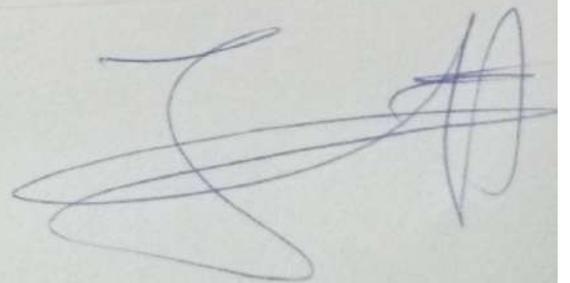
- List of participants
- Presentations: [Attach any presentations given]
- Handouts/Materials: [Attach any handouts or materials distributed]
- Photos: [Attach any photos taken during the dialogue]

Annex 6: Public Private Dialogue Forum Action Plan

City/Municipality:
Date:
Venue:

No	Actions/Commitments	Responsible Party(ies)	Timelines/Deadline	Expected results/outcome (how the implementation of evaluated)	Status/Feedback/Follow up (to be reviewed/updated on the next forum meeting)

Annex 7: Public Private Dialogue Forum List of Participants

City/Municipality:
Date:
Venue:

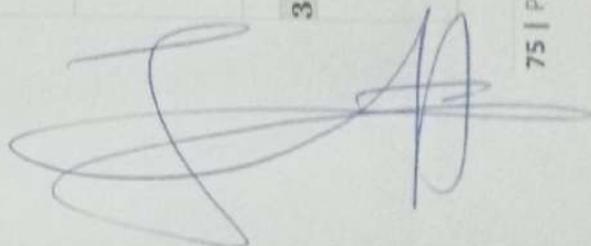| No	Name	Organization	Position/Title	Email	Phone	Signature

Annex 8: Capacity Building and Outreach Tools and Templates
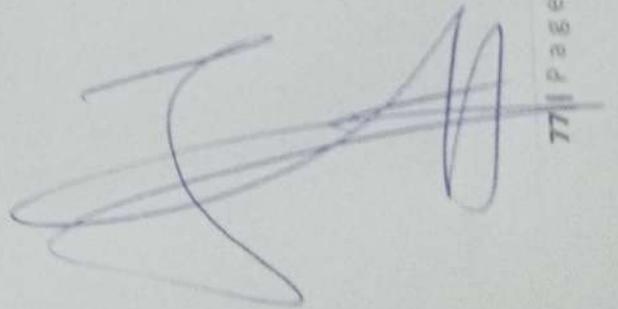
Sample Capacity Building Plan Template

Target group	Training area	Resource requirement	Budget	Timeline
1 Urban board				
Board members	1. The role of the private sector in urban governance 2. Understanding the urban economy and the role of the private sector 3. Policy levers and tools to create competitive cities/municipalities	Consultants Induction workshops Training workshops Technical assistance		
2 Urban administration				
Urban manager Urban officers	1. Managing business document member organizations – Training workshops set up, outreach, capacity building stakeholder management; negotiation skills; conflict resolution 2. Facilitation;	DraftConsultants Training workshops Technical assistance		
Urban database management specialists, data analysts;	1. Data management 2. GIS, data analytics	Equipment: hardware, software Consultants Training workshops Technical assistance		
M&E officers				
3 Private sector				
Business Membership Organizations/Associations	1. Outreach and sensitization on the affiliation and accreditation 2. Business association governance and leadership	Consultants Training workshops Outreach and communications		

3. Management: setting calendars &strategy agenda setting, convening and running meetings, decision making, taking minutes reporting,	and Print soci andal media channels
4. Conflict resolution,	
5. Support member outreach communication, notices and information sharing to ensure accessibility to all for inclusive participation	
6. Record keeping	

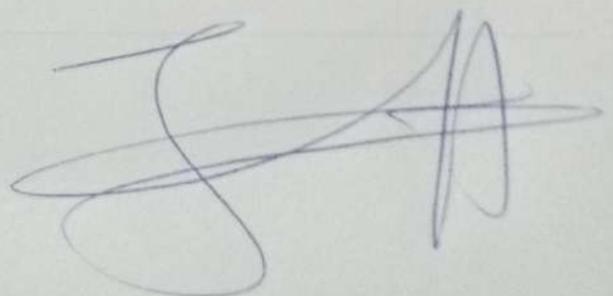# Annex 9: Sample Outreach and Communications Plan Template

Sample Outreach and Communications Plan Template

Date/Timeline	Activity/Event	Audience	Key messages (what the audience needs to know, understand or do)	Communication Channel	Feedback mechanism	Resources	Budget

References

1. Business Registration Service: https://brs.go.ke/entitiesregistered/
2. Kenya Standard Industrial Classification: https://kesic.labourmarket.go.ke
3. Micro and Small Enterprises Act (2012)
4. Toolkit for Competitive Counties in Kenya. A Practical Tool to Promote Firm Competitiveness for Jobs and Economic Transformation at the Subnational Level in Kenya. 2022. World Bank
5. Toolkit for Competitive Counties in Kenya. Companion forms and summary tables. 2022. World Bank
6. Urban Areas and Cities Act (UACA) No 13 of 2011, Amended 2019, Section 21 (1)(g), 22 and Second Schedule
7. Five Step Approach to Advocacy for BMOs www.businessadvocacy.net
8. Benjamin Herzberg and Andrew Wright, The Public Private Dialogue Handbook: A Toolkit for Business Environment Reformers. December 2006. DFID, World Bank, IFC,OECD. http://www.publicprivatedialogue.org/tools/PPDhandbookREFERENCES.pdf
9. Charter of good practice in using publicprivate dialogue for private sector development. http://www.publicprivatedialogue.org/charter/New%202015%20PPD%20Charter%20of%20Good%20Practice.pdf
10. The PPD Handbook: A Toolkit for Business Environment Reformers . http://www.publicprivatedialogue.org/papers/PPD%20handbook.pdf