

## COUNTY GOVERNMENT OF KAJIADO



# Private Sector Engagement Framework

Department of Lands, Physical Planning, Housing, Urban  
Development & Municipalities.  
P.O. Box 11-01100, Kajiado, Kenya.  
Email: [info@kajiado.go.ke](mailto:info@kajiado.go.ke).  
Telephone: +045 2123000.  
Website: <https://www.kajiado.go.ke>.

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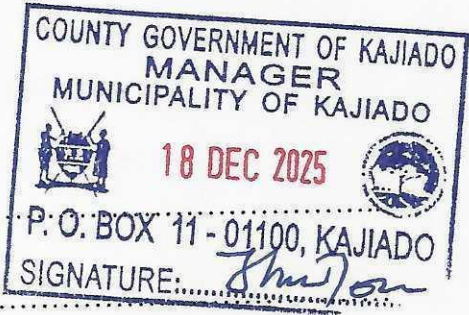
**APPROVALS**

**Adopted by:**

Municipal Board Minute No: ..... MIN. 4/FB/12/2025 .....

Date ..... 18<sup>th</sup> December, 2025 .....

Signature: *Kortanga Lenini*  
Chairman: *[Signature]*



Municipal Manager: ..... *[Signature]* .....

Date: ..... 18/12/2025 .....

**Forwarded by:**

CECM in charge of Lands, Physical Planning, Housing, and Urban Development:



Signature: ..... *[Signature]* .....

Date: ..... December 11<sup>th</sup> 2025 .....

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Plan
CBROP	County Budget Review and Outlook Paper
CIDP	County integrated Development Plan
CoG	Council of Governors
COTU	Central Organization of Trade Unions
CSOs	Civil Society Organisations
GDP	Gross Domestic Product
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, Medium and Small Enterprises
MTP	Medium-Term Plan
NGOs	Non-Governmental Organisations
NUDP	National Urban Development Policy
PPDFs	Public Private Dialogue Forums
PSD	Private Sector Development
PSEF	Private Sector Engagement Framework
SBP	Small Business Permits
SDHUD	State Department of Housing and Urban Development
SMEs	Small and Medium-sized Enterprises
UACA	Urban Areas and Cities Act

## **FORWARD**

Kenya's ongoing urbanisation and evolving economic landscape underscore the essential contribution of the private sector in creating sustainable, inclusive, and resilient urban communities. In response, Kajiado County is committed to strengthening public-private partnerships as a cornerstone for advancing urban development, enhancing infrastructure, and promoting economic growth.

The Private Sector Engagement Strategy marks a significant move toward establishing structured, transparent, and inclusive collaboration frameworks that leverage the expertise, capital, and innovation of private enterprises. This strategy embodies a unified vision shared by the government, private sector partners, civil society, and urban residents to jointly build urban spaces that are competitive, fair, and environmentally responsible.

By delineating clear guidelines and processes, the strategy seeks to fully harness the potential of Kajiado's dynamic private sector, supporting both Kenya's Vision 2030 and the County's aspiration to become a leading agro-industrial hub with an exceptional quality of life for its people. This framework represents a steadfast commitment to inclusive growth, accountability, and urban prosperity, and its effective execution will spark impactful partnerships, elevate service delivery, and usher in a new era of good governance and shared progress for Kajiado County.

**H.E. JOSEPH OLE LENKU, EGH**  
**Governor, Kajiado County**

## **ACKNOWLEDGEMENT**

Urban areas in Kenya stand at the heart of the country's progress, acting as vital centres for economic growth, innovation, and cultural interaction. The private sector including both formal and informal enterprises plays an essential role in this urban ecosystem by driving job creation, generating revenue, and delivering critical goods and services. Yet, the full potential of private sector involvement in urban planning and development has not been fully realised, often hindered by fragmented engagement efforts.

To bridge this gap, the Government of Kajiado County, together with key partners, has crafted this Private Sector Engagement Strategy. The strategy is designed to promote a structured, inclusive, and collaborative approach to urban management, harnessing the strengths of the private sector to support sustainable urban development.

This strategy is the result of broad-based consultations and knowledge exchange among diverse stakeholders, demonstrating the County's dedication to inclusive growth and transparent governance. It is aligned with the Constitution, legal statutes, and the national Private Sector Engagement Framework, embedding private sector participation throughout urban planning, infrastructure development, and the delivery of essential services.

This document offers guidance for the county government, urban boards, and private sector partners, encouraging the formation of strong, mutually beneficial partnerships. It ensures that urban transformation is propelled not only by government policy but also by private sector insight and investment. Ultimately, this marks a meaningful stride toward building thriving, resilient, and inclusive urban centres in Kajiado County.

**Hamilton Parsein**

**CECM Lands, Housing, Physical Planning and Urban Development**

**Kajiado County**



## **EXECUTIVE SUMMARY**

The private sector is the backbone of Kenya's economy, contributing approximately 75% of the national GDP and providing employment for nearly 90% of the working age population. With about 1.5 million registered and over 5 million informal enterprises, the sector generates more than 30% of GDP and supports the livelihoods of around 15 million Kenyans. Urban centres serve as major economic hubs, producing over half of the country's GDP, largely driven by private sector activity. Kenya's Vision 2030 among other policies highlight private sector led growth as vital to national development, advocating for reforms that foster a favourable business environment, attract investment, and bolster climate resilience. Despite its critical role, private sector engagement with urban governance remains limited and fragmented, restricting cooperation in urban infrastructure and service provision. Historically, private sector involvement focused on licensing and fees, which often led to tension rather than partnership. While constitutional reforms after 2010 expanded opportunities for participation, systematic mechanisms for engagement at county and urban levels are still in progress.

The Private Sector Engagement Framework (PSEF) was crafted through a collaborative process involving Kajiado County Government, business associations, civil society, and local residents. Consultations were held across key urban areas in Kajiado County, including Kitengela, Ngong, Ongata Rongai, Kiserian, Isinya, Namanga, Kimana and Kajiado Town among others, with engagement from groups such as KNCCI, KEPSA, KAM, and local business owners. The framework was refined based on stakeholder feedback to ensure alignment with existing policies and laws, emphasizing transparency, inclusivity, and accountability.

By offering a structured model, the PSEF aims to institutionalise private sector participation in urban planning and development for Kajiado County, fostering vibrant, resilient, and inclusive urban communities. The framework aligns with Kenya's legal and policy landscape, including the Constitution of 2010, County Governments Act of 2012, Urban Areas and Cities (Amendment) Act of 2019, Public Finance Management Act of 2012, Access to Information Act of 2016, and specific county laws such as the Kajiado County Revenue Administration Act, Investment and Development Policy, Trade and Markets Act, and Nawiri Fund Act. Collectively, these laws strengthen participatory governance, public-private collaboration, and transparent decision-making.

The PSEF's objective is to guide the Kajiado County Government in engaging the private sector systematically to enhance participation, align policies with business interests, and harness private investment for urban development. It prioritizes coordination, inclusivity, and evidence-based decision making, aiming to build trust and shared responsibility between public and private stakeholders. Ultimately, the PSEF seeks to transform urban governance in Kenya by embedding structured collaboration as a foundation for sustainable, inclusive, and dynamic urban growth.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

The National Urban Development Policy (2016) highlights Kenya's rapid urbanisation, with urban growth rates of approximately 5% per year. This trend has led to an increase in the urban population, rising from 8% at independence to nearly 40% by 2015, and it is projected that over half of Kenyans will live in urban areas by 2050. The Kenya Constitution 2010 ushered in 47 devolved units now the central engines of economic growth significantly contributing to the nation's GDP and employment. These structural changes, alongside accelerating urbanisation, have opened up new business opportunities and expanded the production of goods and services, fuelling overall economic development.

The private sector is at the heart of Kenya's economy, generating roughly 75% of GDP and employing about 90% of the working-age population. Within this sector, Micro, Small, and Medium Enterprises (MSMEs), both formal and informal, constitute a significant portion. To support their growth, the government established the Micro and Small Enterprise Authority (MSEA) under the Ministry of Cooperatives and Micro, Small and Medium Enterprises Development, governed by the MSEA Act, 2012. Kenya currently has around 1.5 million formally registered MSMEs and over 5 million informal ones, together contributing more than 30% of GDP and employing approximately 14.9 million people across diverse sectors. Notably, urban areas serve as crucial economic hubs, accounting for over half of national GDP. Overall, the private sector drives 80% of GDP, with MSMEs representing 90% of these businesses and the informal sector comprising 83.38%<sup>1</sup>.

The private sector's role in urban development is multifaceted it is a key producer, consumer, and partner in service delivery, as well as the largest employer and tax contributor. By bringing knowledge, skills, and investment, the sector helps enhance urban infrastructure and services. To encourage private sector growth, a competitive business environment, dependable infrastructure, access to expertise, and financial resources are essential. The National Urban Development Policy emphasises the importance of vibrant urban economies, sustainable infrastructure, effective governance, finance, and climate resilience as pillars for inclusive growth.

National strategies such as Kenya's Vision 2030 underscores the private sector's centrality in achieving middle-income status. The fourth Medium-Term Development Plan (MTP IV) 2023–2027<sup>2</sup> further prioritises private sector-led growth through reforms aimed at improving the business environment, attracting investment, and fostering climate resilience to accelerate economic transformation.

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<sup>1</sup> Kenya Institute for Public Policy Research and Analysis (2020). Kenya Economic Report 2020, Creating an Enabling Environment for Inclusive Growth in Kenya- the same counties also account for over half of the total annual County OSR.

<sup>2</sup> MTP IV (2023 – 2027)

Operationally, the National Urban Development Policy is implemented through the Urban Areas and Cities Act (2011) and its regulations. In response to evolving urban management challenges, the Ministry of Lands, Public Works, Housing and Urban Development, via the State Department of Housing and Urban Development, is currently reviewing this policy and updating regulations to better address emerging needs.

While national agencies<sup>3</sup> continue to drive policy and regulatory reforms collaborating with counties to streamline business registration, licensing, and operational processes the legal framework<sup>4</sup> acknowledges the unique advantages of county governments and urban boards. These entities are tasked with cultivating enabling, competitive environments for business. To fulfil this mandate, counties and urban boards must proactively engage the private sector in planning and implementing their socio-economic agendas.

Despite the private sector's critical influence on urban development, there is a lack of structured engagement mechanisms, leading to fragmented and limited participation in urban planning. Establishing a robust framework for inclusive and consistent engagement can ensure more responsive policies and strategic investments, create a more competitive environment and ignite dynamic private sector growth. Such collaboration allows counties to harness private sector expertise, funding, and innovation to strengthen urban infrastructure and services, while fostering shared objectives and mutual accountability.

## **1.2 Kajiado County**

Kajiado County was formed after the successful implementation of Kenya's Constitutional Referendum of 2010 which yielded the 47 counties in the Country. The county covers an approximated area of 21,900.9 square kilometers.

Kajiado County Consists of a number of administrative districts are Kajiado Central, Isinya, Loitokitok, Magadi, Mashuru, Namanga and Ngong. Kajiado County is adjacent to the Capital City of Kenya, Nairobi. Kajiado's County neighbors include counties of Machakos, Makueni, Narok, Taita Taveta and Kiambu counties. Here are few towns found in the county Ngong, Kitengela, Ongata Rongai, Kiserian, Kajiado, Loitokitok, Namanga, Isinya, Sultan Hamud and Iibisil.

The county's main physical features include the beautiful plains, valleys, volcanic hills, scarce vegetation in low altitude areas which increases with altitude and rain these combinations make Kajiado one of few natural selected wildlife habitats in Kenya Kajiado County like many counties in Kenya is mainly water stressed where community members sometimes find themselves covering an average of 10km in search of water

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<sup>3</sup> Including the Registrar of Companies and Registrar of Societies, the State Department of Trade and the State Department of Investment Promotion and the State Department of Micro, Small and Medium Enterprises (MSMES) Development and its state corporation the Micro and Small Enterprises Authority (MSEA)

<sup>4</sup> Kenya Constitution (2010), the County Government Act (CGA), 2012, Urban Areas and Cities (Amendment) Act, 2019

## Demographic Features

Kajiado County has a total population of 1,117,840, where female population accounted for 50.1 percent while the male population was 49.8 respectively (The Kenya Population and Housing Census of 2019). The total intersex population was only 38 persons. This represents 62.6 percent population increase in the last ten (10) years. Rural-Urban migration is a major factor contributing to rapid urbanization and urban growth experienced in the county. This has contributed to the rise in multiethnic representation in the major urban centers, with the Maasai community being dominant in the rural areas.

## Economic Activities

Economic growths and development are majorly depending on the main strengths and future investments in these sectors of Agriculture, Horticulture, Food Crop Farming, Livestock production, Dairy, Beef production, Hides and Skins, Poultry Farming and other Commercial exploits. Tourism is a strength that Kajiado holds dear through the current progress with Amboseli National Park, but not only stopping there for there is a lot of room for good investment in this area. Kajiado has Forestry about 6,866.88 ha of forest cover. Conservation efforts to improve our forest cover being a serious matter in the hearts of the people of Kajiado. Tree farming as an economic activity is being encouraged.

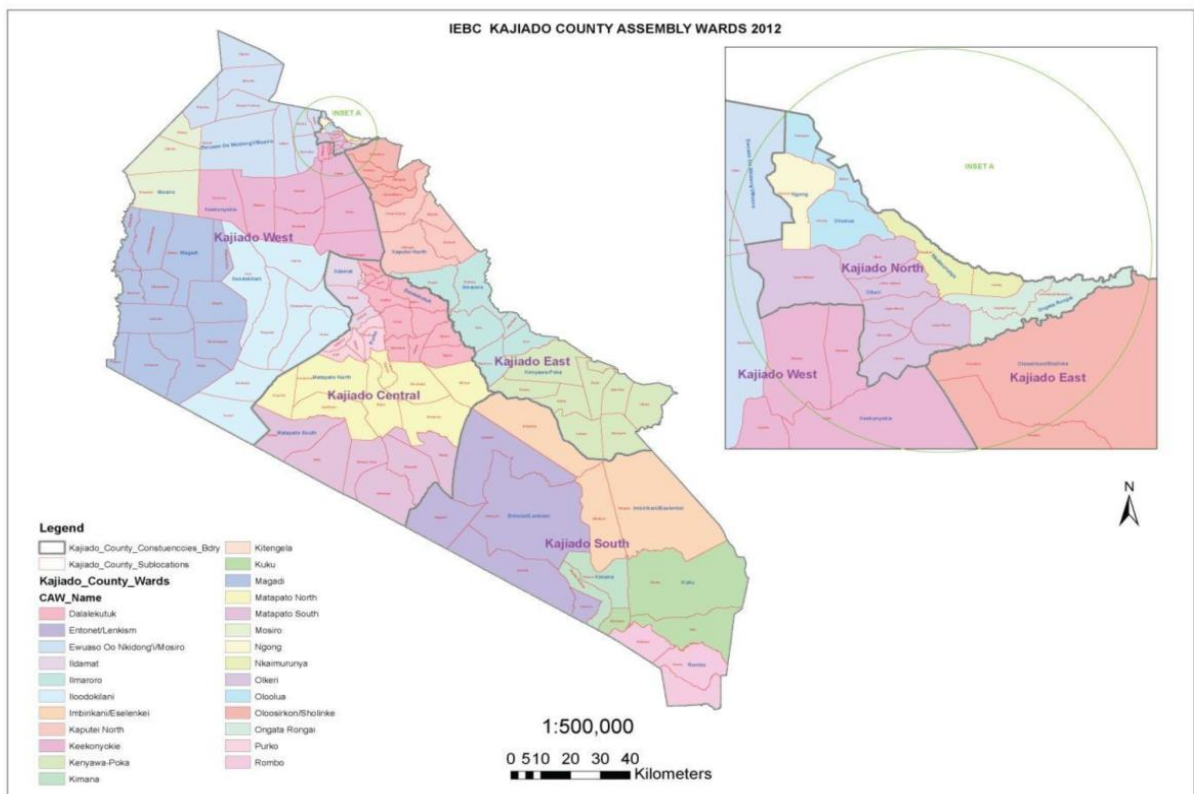


Figure 1: Map of Kajiado County

## Status of Private Sector Engagement in Kajiado County

The private sector in Kajiado County is primarily active in agriculture, trade, retail, manufacturing, and services. Engagement levels vary, with agricultural cooperatives and

traders playing a significant role. Manufacturing is limited but growing, driven by agro-processing and construction materials. These sectors are important contributors to economic growth, employment, and innovation in the county. Partnership and collaboration with these sectors present an opportunity for the public sector to enhance service delivery, infrastructure development, and economic progress.

There are several key barriers to business growth within the county that include inadequate infrastructure, limited access to finance, regulatory hurdles, and inconsistent policy implementation. Competition from informal businesses and fluctuating market conditions also pose challenges.

The Kajiado County Government recognises the critical role of the private sector in advancing economic growth, job creation, and sustainable development. This framework outlines the approach for engaging and collaborating with the private sector to drive innovation, investment, and overall economic prosperity within the County. The framework is designed to address the existing challenges hindering Kajiado County economic growth. It provides strategies for building lasting partnerships within the private sector to ensure that investments are directed to programs that contribute to long-term growth and sustainable development.

### **1.3 Rationale for a Framework for Public-Private Engagement for Urban Development**

Kenya's constitution and legal frameworks identify the private sector as a vital contributor to urban development by driving economic growth, creating employment opportunities, generating revenue, and collaborating in the delivery of essential services. Counties, cities, and municipalities are responsible for fostering inclusive and competitive business climates through urban planning, development regulation, business and trade oversight, land management, enterprise and skills training, and the provision of infrastructure such as roads, drainage, water, and sanitation. Meaningful engagement with the private sector is critical to these efforts, as it attracts and retains investment, stimulates job creation, boosts economic activity, and increases local tax revenue, which can be reinvested in urban infrastructure and services. Moreover, private sector involvement enables municipalities to tap into additional capital, advanced technology, and innovative solutions, forming partnerships that enhance both service delivery and infrastructure quality.

Urban boards are legally obligated to implement mechanisms for active public participation in urban management. The Urban Areas and Cities (Amendment) Act, 2019 (UACA) requires boards to organise citizen forums ensuring representation from the private sector and informal business associations to engage residents in urban governance. These forums serve as a platform to align policies and investments with the needs of both businesses and the local community. Effective engagement fosters a mutually beneficial cycle that drives dynamic urban economies and supports thriving societies. Despite this, there has been limited guidance on how to structure such engagement. This Private Sector Engagement Framework provides a systematic approach for urban boards to collaborate with the private sector, promoting participatory urban development and advancing competitive, inclusive business environments.

## **1.4 Current Practice**

Before the Kenya Constitution was enacted in 2010, local authorities interacted with the private sector mainly in areas such as trade licensing, collecting fees, and enforcing bylaws. Private sector involvement in decision-making was limited, and relationships between local authorities and businesses tended to be adversarial and transactional. This environment led to underinvestment in strategic sectors and poor service delivery, which fostered mistrust and alienated the local business community.

Following the adoption of the 2010 Constitution, updated legal and policy frameworks now acknowledge the crucial role the private sector plays in urban development. County governments and urban boards are tasked with responsibilities like urban planning, development control, building economic infrastructure, and promoting local economic growth. Opportunities for private sector participation in governance and decision-making have increased, allowing for greater contributions to growth and development.

Despite these advancements, engagement at the urban board level remains uneven. While county-level collaboration has improved gradually, urban boards still lack formal, consistent, and structured methods for involving the private sector. The lingering mistrust means that the private sector is often a passive participant rather than an active partner in urban planning, development, and service delivery, which restricts the full benefits that public-private collaboration could offer. The County Government of Kajiado created this Private Sector Engagement Framework based on the relevant policy and legislative landscape to address the situation. The development process was both inclusive and participatory, ensuring meaningful involvement from all stakeholders.

## CHAPTER TWO

### THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK

#### 2.1 Development of the framework

The PSEF for Kajiado County is based on the model National Private Sector Engagement Framework, with tailored modifications to address the county's unique requirements. The National framework acts as a guide for county governments, helping them to facilitate effective collaboration with the private sector in urban planning and development. Its creation was a collaborative effort, engaging county government departments, urban boards and administrators, private sector representatives including associations, informal businesses, women, youth, and persons with disabilities as well as residents' associations and Civil Society Organisations (CSOs).

In developing the current framework, extensive consultations were held with key private sector associations and umbrella organisations such as the Kenya National Chambers of Commerce (KNCCI), Kenya Association of Manufacturers (KAM), Kenya Private Sector Association (KEPSA), and Kenya Association of Residents Associations (KARA). Discussions also included national ministries and state departments responsible for private sector development, like the Kenya National Bureau of Statistics (KNBS), Medium and Small Enterprises Authority (MSEA), Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development, and the State Department of Trade.

#### 2.2 Legal Basis and alignment to Existing County Frameworks and Processes

This Private Sector Engagement Framework aligns with existing county and urban governance structures, planning, and budgeting processes. It ensures that engagement outcomes are integrated into county policies, legislation, programs, and budgets. The PSEF also supports the monitoring of results and performance through established county and urban accountability frameworks.

Private sector involvement in county and urban governance is a legal requirement in Kenya. The relevant key legislations include:

- **The Kenya Constitution, 2010:** Establishes public participation as a fundamental governance principle.
- **County Government Act, 2012:** Provides the legal framework for county governance and encourages public-private partnerships and dialogue for sustainable development.
- **Urban Areas and Cities (Amendment) Act, 2019:** Mandates private sector participation in urban governance by nominating members to Urban boards and establishing citizen forums for resident engagement in urban affairs. The **UACA Regulations, 2022** require boards to map and accredit business associations, maintain registers, and build capacity for effective engagement.
- **Public Finance Management Act, 2012:** Requires public participation in county budget-making processes.

- **Access to Information Act, 2016:** Guarantees public access to information held by public entities including county governments. County assemblies have standing orders detailing procedures for public participation in legislative processes. Additionally, specific county policies further define methods for public engagement and private sector collaboration.

Business operations in Kajiado County are governed by the above laws, and sector-specific regulations. Institutions such as the County Investment Office and KNCCI Kajiado Chapter facilitate private sector engagement and provide support for enterprise development (*Refer to Annex 1 for a summary of the relevant legislation*).

### **2.3 Objective of the Framework**

This PSE framework seeks to provide a common approach to guide urban boards engaging with the private sector in urban planning to create competitive, inclusive and resilient urban areas. It serves as a foundation for mapping local businesses, understanding the business environment, and fostering structured, evidence-based engagement that shapes participatory urban policies and plans. The intended outcomes include:

- 1) Increased private sector participation in urban planning and development;
- 2) Better alignment of urban policies with private sector needs;
- 3) Enhanced collaboration between urban boards and private sector entities;
- 4) Leveraged private sector expertise and resources for infrastructure and service delivery; and
- 5) Trust-building between public and private actors, fostering commitment to shared urban development goals.

### **2.4 Approach to the PSE Framework**

The framework:

- i. Aligns with Kenya’s constitutional, legal, policy, and institutional framework for devolved urban governance, administration, and service delivery. The framework gives effect to the UACA (Amendment) Act, 2019, and its 2022 Regulations, establishing formal structures for engagement, accountability, and implementation of actions.
- ii. Provides the legal foundation for private sector involvement in urban governance, complementing existing county and urban policies as well as citizen engagement mechanisms. (*Refer to Annex 2 for an in-depth description of how this framework aligns with urban governance systems.*)
- iii. Clarifies the roles of public and private sector stakeholders, detailing engagement structures and processes. The framework is inclusive, ensuring that both formal and informal private sector actors are represented and have access. It brings together diverse stakeholders to enable co-design, coordination, and collaboration essential for developing competitive and inclusive urban environments.
- iv. The components are interlinked, building on current county and urban governance systems to inform planning, budgeting, investment, service delivery, and accountability.
- v. Provides guidance to urban boards on organising the private sector for meaningful engagement, identifying needs, and convening structured dialogue forums. These forums support the prioritisation and co-design of interventions, which are then

incorporated into policies, legislation, regulations, plans, and budgets, with integrated systems for performance and accountability monitoring.

- vi. Utilises the World Bank’s Toolkit for Competitive Counties, applying its analytical tools to pinpoint and classify strategies aimed at enhancing business environments and promoting enterprise growth and job creation. The approach centres on four policy levers accessible to counties and urban areas: institutions, infrastructure, skills, and enterprise support.

## 2.5 Principles of the PSEF

The principles of the PSEF include the following:

- 1) **Compliance with Policy and Legal Standards:** Engages the private sector in governance and urban development while strictly following constitutional, legal, and policy guidelines.
- 2) **Purposeful Engagement:** Focuses on goal-driven interactions that lead to collective actions and measurable outcomes within defined time periods.
- 3) **Inclusivity and Equity:** Ensures engagement activities are accessible, inclusive, and fair, so all stakeholders participate fully in both processes and results.
- 4) **Intergovernmental Collaboration:** Facilitates effective coordination and cooperation among all government levels, reflecting decentralised functions and principles of intergovernmental partnership.
- 5) **Transparency and Accountability:** Maintains openness by publicly sharing processes and decisions and holds all participants responsible for their actions.

## 2.6 Key Actors and Roles

The key actors and their roles are defined in Table 1.

**Table 1: Key actors and roles**

Actor	Roles and Responsibilities
National Government	<p><b>Kenya National Bureau of Statistics (KNBS):</b> KNBS has the responsibility of coordinating the National Statistical System (NSS). KeSIC developed by the Ministry of Labour and Social Protection and KNBS for statistical purposes for business coding system<sup>5</sup> provides a comprehensive framework for categorising businesses based on their primary activities or industries.</p> <p><b>Medium and Small Enterprises Authority (MSEA):</b> The Authority is domiciled in the Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development. It coordinates, harmonises and facilitates the integration of various public and private sector activities, programmes and development plans relating to MSEs. This includes registration of micro and small enterprises (MSEs) associations, capacity</p>

<sup>5</sup> KeSIC is a domestication of International Standard Industrial Classification of All Economic Activities (ISIC Rev 4) ensuring international comparability of statistics relating to economic activities.

	<p>building, supporting market access and infrastructure development, access to affordable credit, and MSE centres of excellence. It regulates, develops, and promotes MSEs.</p>
County Government	<p><b>County Executive:</b> Assists in planning, adopting, and reviewing IDEPs, ensuring alignment with county and national policies and strategies. Appoints urban board members through a competitive process.</p> <p>County Executive Committee Member (CECM): Appointed by the governor to coordinate board functions and approve urban development plans.</p> <p><b>County Assembly (CA):</b> Approves urban board appointments, county plans, IDEPs and urban board budgets, and oversees urban development policies and regulations.</p> <p><b>County Revenue Boards:</b> Responsible for county revenue management, they gather data on the private sector and have data analytics and statistical capacity.</p> <p><b>County Investment Authorities:</b> Conduct research, investment promotion and outreach activities.</p>
Urban boards	<p>Implement the PSE Framework, incorporating activities into IDEPs, annual plans, and budgets. Oversees urban administration in executing these plans. The <b>Urban Manager</b> oversees the PSEF performance framework, manages implementation and reports on PSEF activities.</p>
Private Sector	<p><b>Private Sector:</b> Engages in dialogue with urban boards to influence policy, urban planning, and investment priorities. Offers resources, technology, and expertise to enhance infrastructure and service delivery while ensuring alignment with business growth opportunities.</p> <p><b>Informal Businesses:</b> Represent over 80% of MSMEs, generating up to 70% of jobs, particularly for women and youth. Their role is to actively participate in dialogue and help identify urban development needs, policies and investment opportunities that support business growth. Often unregistered, they rely on membership organisations for collective representation and engagement with urban boards.</p> <p><b>Formal Businesses:</b> Ranging from small to large enterprises, including multinational companies, their role is to actively participate in dialogue and help identify urban development needs, policies and investment opportunities that support business growth.</p> <p><b>Business Associations:</b> Act as intermediaries for collective private sector interests, focusing on policy advocacy, promotion, and standardisation. They organise engagement with urban boards to ensure private sector priorities are represented.</p> <p><b>Umbrella Organisations:</b> National bodies including their local chapters e.g., Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Industry (KNCCI) and Central Organization of Trade Unions (COTU)</p>

	bring together business groups for enhanced participation, coordinated advocacy and policy influence, playing a key role in shaping the policy and regulatory environment, strategic urban initiatives and investment decisions.
Other State and Non-State Actors	<p><b>Professional Associations and Research Institutions:</b> Provide technical expertise through surveys, research, and data analysis to guide urban planning and policymaking.</p> <p><b>Dialogue Partners:</b> Ministries, regulatory agencies, and development agencies collaborate with urban boards to support the implementation of policies, regulatory reforms, and capacity building for urban development. They also facilitate coordination between national and local government functions.</p> <p><b>Non-Governmental Organisations (NGOs) and CSOs:</b> Advocate for issues such as gender equity, climate action, environmental protection, social and economic inclusion. They ensure that urban development is inclusive and addresses broader social, economic, environmental, and community concerns, bringing marginalised voices into the conversation.</p> <p><b>Residents’ associations:</b> Resident associations represent important organised urban constituents and stakeholders residing and engaging with and contributing to the urban economy within the municipality. They have an interest and stake in its development. Kenya Alliance of Resident Associations (KARA) is the umbrella body of resident associations.</p>

## 2.7 Benefits of adopting the Private Sector Engagement Framework

Many formal and informal private sector stakeholders in Kajiado County participate in a wide range of economic activities. The Private Sector Engagement Framework will strengthen their role in urban planning and encourage further investments that drive socio-economic growth and boost GDP. Other additional benefits include

- i. **Structured engagement:** Transforms interactions between Kajiado county, urban boards and the private sector from fragmented and transactional to systematic and ongoing, supporting better governance and decision-making. This approach promotes mutual understanding, aligns objectives, increases policy impact, encourages formalisation, strengthens compliance, and enhances the private sector’s role in driving local economic growth and job creation.
- ii. **Sharing knowledge and resources:** Taps into private sector expertise in areas like research, technology, management, and innovation to boost public sector efficiency and productivity, facilitating valuable mutual learning opportunities.
- iii. **Defining roles and responsibilities:** Establishes clear roles for the county government, the private sector, and other stakeholders, which increases commitment, accountability, and performance by promoting shared objectives.
- iv. **Enhancing trust and collaboration:** Encourages cooperation by removing barriers, building trust, and creating a social contract that supports the successful implementation of reforms and greater compliance.

- v. **Closing information gaps:** Narrows the divide in knowledge and data between the public and private sectors, resulting in more informed decisions and improved collaboration.
- vi. **Fostering partnerships:** Deepens the relationship between urban boards and the private sector, making it easier to identify opportunities, mobilize resources, and share risks, all of which contribute to better urban development and service delivery.

## CHAPTER THREE

### COMPONENTS OF THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK

#### 3.1 Components of the PSEF

The following are components are essential for effective engagement with the private sector for urban planning and development and inclusive, competitive business environments.

- **Private sector database:** Access to up-to-date data on the composition of the private sector to facilitate targeted engagement and provide data for economic and statistical analysis to inform urban policy and planning;
- **Private sector diagnostic:** Diagnostics to assess the business environment, identify constraints, and propose interventions. This may involve the use of existing tools like the World Bank Toolkit for Competitive Counties to analyse and define institutional and regulatory frameworks, infrastructure, skills, and enterprise interventions;
- **Public-private dialogue forums (PPDFs):** Regular, structured dialogues with private sector actors to align policy and investment priorities. The PPDFs will inform annual urban plans and investment priorities and provide feedback loops for continuous improvement. Urban boards should encourage business entities to affiliate and form/join business associations, which apply for accreditation, allowing for more structured engagement and credibility;
- **Capacity building and outreach:** To build capacity of the private sector.
- **Communication and feedback channels:** To facilitate two-way communication for inclusive and continuous dialogue; and
- **Institutional arrangements and resource framework:** To ensure effective and efficient implementation of the PSEF, institutional arrangements, coordination and resource (human and capital) allocations are critical.

The components are described below:

##### 3.1.1 Private sector database for urban boards

To engage effectively in urban planning and development, urban boards should know the profiles and contacts of the businesses operating within their areas. This will be achieved through collecting, maintaining, and analysing business data to gain insights into their organisation, interests, influence, and overall contribution to the local economy. The data will support outreach, communication, and relationship-building with the private sector.

Sources of data include data collected by the County government departments in the performance of their respective functions. This includes data gathered by county revenue departments during business and trade permitting process in the Single Business Permits (SBP) database. Other databanks include property rolls and land registries. The county departments responsible for the SBP data should grant urban boards access to disaggregated data specific to their jurisdictions.

Other data sources shall include data gathered by the county department(s) responsible for public participation that routinely map, gather and store data on the local citizens including the private sector, both formal and informal. Departments of trade and cooperatives also possess valuable data on businesses and trade associations and cooperatives captured in the performance of their functions.

Local business data in Kajiado can be sourced from the KNCCI local chapter, various trade associations, and organised groups representing diverse interests. Urban boards should gather primary data through business surveys and utilise national resources like the KNBS and MSEA for comprehensive coverage. Adopting a standardised business coding system, such as KeSIC<sup>6</sup>, will ensure uniformity in categorisation. Effective data management, including geo-mapping and analytics, is recommended to support targeted planning and investment, with opportunities for partnerships to enhance analysis and visualisation. Boards must comply with data privacy laws under Data Protection Act, 2019, and make certain database information securely accessible online as provided by Access to Information Act, 2016 to promote transparency, engagement, and demonstrate local economic growth.

### **3.1.2 Private sector diagnostic**

Private sector diagnostics provide a comprehensive understanding of the local business climate, market trends, and the main challenges impacting private sector competitiveness. Diagnostics help uncover untapped investment opportunities and identify the obstacles that hinder private sector activity. By prioritising the most effective actions, private sector diagnostics contribute to both economic growth and broader development objectives.

Kajiado Urban boards should undertake a private sector diagnostic to evaluate the local business environment and the overall economic context, identifying facilitators and obstacles to business operations. This is a vital step toward improving conditions for businesses and encouraging private sector led growth. The process will include desk research, business and enterprise surveys, and consultations with the private sector and other stakeholders to gain a thorough understanding of the local business landscape. The World Bank's Toolkit for Competitive Counties in Kenya<sup>7</sup> offers a structured approach to pinpoint needs and craft interventions across four main policy areas: institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance.

The results of the diagnostic should be made accessible to the public and used to inform public-private dialogue forums, as well as the development and review of private sector policies and regulations. Additionally, these findings will guide the creation of IDePs, Annual Urban Plans, and budgets. The initial diagnostic acts as a baseline to be updated annually during public-

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<sup>6</sup> KeSIC is developed by the Ministry of Labor and Social Protection and Kenya National Bureau of Standards (KNBS) and is a domestication of International Standard Industrial Classification of All Economic Activities (ISIC Rev 4) ensuring international comparability of statistics relating to economic activities.

<sup>7</sup> World Bank (2022). *Toolkit for Competitive Counties in Kenya. A Practical Tool to Promote Firm Competitiveness for Jobs and Economic Transformation at the Subnational Level in Kenya*: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099060723075540946/p1768210335e4d0009ba9055776f10b96a>

private dialogue forums to track progress and shape future actions. To facilitate diagnostics, the Kajiado County Government will support urban boards and foster collaboration with MSEA, KNBS, KNCCI, KEPSA, KAM, and other associations or research agencies involved in private sector surveys and research.

### **3.1.3 Public-private dialogue forums for urban planning and development**

Urban boards should establish regular, structured forums for dialogue with private sector stakeholders to identify business needs, barriers, and opportunities for inclusive urban development. These Public Private Dialogue Forums (PPDF) bring together representatives from formal and informal businesses, associations, and other partners<sup>8</sup> to share information, set priorities, and inform urban planning. Outcomes from these dialogues should guide the development and review of urban plans, regulations, and budgets, enabling continuous improvement through feedback and adaptive management.

Business associations play a key role in facilitating structured engagement. Urban boards and the county should encourage businesses, including informal enterprises, to join or form associations, and support their accreditation as outlined in the UACA Regulations, 2022. Accredited associations are formally recognised as legitimate representatives, enhancing their capacity to advocate for their members and collaborate with urban boards, while maintaining professional standards and credibility.

#### **(a) Convening the PPDF**

It is expected that Kajiado county will develop a county private sector dialogue forum structure that the urban boards can adopt, building on and aligning with the existing county and urban structures. This process should be guided by existing county guidelines on public participation. This will allow coordinated engagement across urban areas within the county that informs urban planning and development. The urban board is responsible for operationalising and resourcing the PPDF.

#### **Urban area PPDF structure**

1. **Champion:** The board member representing the private sector or chairing the committee responsible for the private sector should champion the PPDF.
2. **Secretariat:** The board should establish a secretariat led by the urban manager (who will act as secretary of the forum) to manage the forum's operations. Private sector representatives with relevant skills may contribute and provide technical and administrative support.
3. **PPDF membership:** The board shall define membership criteria that is inclusive and adequately reflect their local private sector. Membership should comprise accredited associations representing both formal and informal enterprises, cooperatives and

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<sup>8</sup> Public actors i.e., relevant county departments and ministries departments and agencies, and other urban market system actors and stakeholders operating in the city or municipality i.e., professional association, research and learning institutions, development agencies, non-governmental organisations (NGO), civil society organisations (CSO), urban residents' associations.

special interest business groups such as women, youth and persons with disability, major business players and stakeholders such as residents' associations, financial institutions. The associations will be responsible for nominating representatives to the forum. Other dialogue partners, such as relevant county departments, ministries, development agencies, research institutions, CSOs, and NGOs, may be co-opted into the forum as may be needed.

4. **Leadership:** A leadership structure should be created with the board member responsible for the PPDF as chair of the forum and a private sector representative as co-chair.
5. **Working groups or committees** may also be created, aligned with industry sectors or policy priorities.

#### (b) **Organising the PPDF**

To ensure a structured dialogue, the board should cluster businesses and associations by sector or industry for example the transport sector, tourism or hospitality sector or residents' associations. These clusters should be encouraged to come together to define common needs and priorities. Thereafter, representatives from the clusters should be brought together in a plenary PPDF to share their priorities and dialogue with the board and other dialogue partners to agree on the collective priorities to be integrated into urban plans and policies.

#### (c) **PPDF calendar of meetings**

Plenary PPDF should be held at least twice a year, timed to influence key decision-making processes in county and urban planning and budgeting. Cluster and committee meetings can be held as required and recommendations presented at the plenary for decision making. The urban manager will prepare and publish the calendar and meeting agenda, which will involve discussions on priorities for each policy area.

- **Ad-hoc meetings** may be convened as may be needed to review policy and regulatory proposals.
- **Meeting format:** The agenda and meeting format should promote open dialogue and exchange of local knowledge, expertise, and evidence-based insights. The discussions should be informed by diagnostic reports, local economy assessments, urban area plans and sectoral studies, to ensure that the recommendations are grounded in local realities.
- **Minutes, action plan and follow-up:** Minutes should be prepared after each forum, reporting on the main agreements and recommendations. The Minutes should be presented and considered during citizen fora during the preparation and review of the IDEP, the urban area annual strategic plan and budget estimates.
- The urban manager is responsible for following up on actions by the board and for reporting back to the PPDF plenary on the board's actions and decisions. If interventions require action from the county government or other public agencies, the manager should coordinate with the relevant actors and provide updates.

#### (d) **Monitoring and Accountability**

The urban manager is responsible for monitoring the progress of the PPDF action plan, tracking follow-up actions, maintaining records, assessing outcomes, and evaluating the effectiveness of the dialogue. This process will support continuous performance improvement.

### **(e) Linkage to the citizen fora**

As outlined in the **UACA (Amendment) Act, 2019**, urban boards are required to hold citizen fora, providing a platform where representatives of urban residents, the urban board, and relevant agencies can engage in dialogue on key urban development issues. These fora serve to discuss shared concerns, agree on goals, and set priorities. Membership includes representatives from business associations, registered associations of the informal sector, and other urban resident groups. The priorities, resolutions, and submissions from the PPDF will be presented by accredited business association representatives at the citizen fora for further consideration by the urban board.

### **3.1.4 Capacity building and outreach**

To ensure effective implementation of the framework, urban boards should develop a comprehensive capacity-building and outreach strategy. As per the Second Schedule of the UACA (Amended 2019), urban boards are required to build the capacity of residents to enable their participation in urban affairs, as well as to foster community engagement among board members, town committee members, and staff. Resources must be allocated annually to support these activities.

**Urban Board Capacity:** The urban board should assess its current capacity, identify gaps, and create a capacity-building plan. This plan will require investments in staff training, workshops, technical assistance, and necessary tools like software and equipment to support engagement, communication, and outreach. Developing competencies for collaboration and knowledge-sharing will be essential.

**Private sector capacity:** For effective engagement, the private sector needs a clear understanding of urban governance, the roles and responsibilities of public and private sectors, and how to engage in the planning process for mutual benefit. The urban board should strengthen the private sector's capacity through targeted outreach and training activities.

The board should raise awareness among businesses and provide training to business associations and clusters so they can engage effectively in municipal or urban affairs. With support from the county government and MSEA<sup>9</sup>, the boards should develop tools such as:

- Guides to support associations establish leadership structures, governance and decision-making processes. Management tools i.e. templates for agendas, minutes, and reports.
- Guides to key urban governance processes and how to engage with them, including timelines for county and urban planning timelines.

### **3.1.5 Communication and feedback channels**

Establishment of clear, accessible channels for timely, two-way communication and information dissemination is essential for effective engagement efforts. The boards should

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<sup>9</sup> MSEA is mandated to coordinate and harmonization of public and private sector initiatives for the promotion, development and regulation of micro and small enterprises.

leverage technology to ensure efficient communication flow and equitable access to information. The urban manager should oversee regular communication with private sector organisations, ensuring timely updates and continuous engagement. Key information such as information on the PPDF, the calendar, agenda, meeting notices, minutes and reports, information and diagnostic reports on the private sector in the urban area, should be published.

### **3.1.6 Institutional arrangements and resource framework**

The following institutional roles and resources shall be key for effective operationalisation of the PSEF.

#### **a) Urban Board**

- **Urban Board Chair** has the overall responsibility for overseeing the implementation of the framework.
- Chair of the **Board Committee (or Sub-Committee)** responsible for private sector engagement, business environment, urban economy, or trade is responsible to champion the framework and supervise the Urban Manager in its implementation, ensuring alignment with a clear performance framework.

#### **b) Urban Administration**

##### **(i) Urban Manager**

- Responsible for setting up the secretariat, planning and managing engagement activities, coordinating implementation of action plans, tracking and monitoring results, and reporting progress against established performance targets and engagement indicators.
- Serves as the secretary and facilitator of PPDFs
- Responsible for planning capacity-building and outreach activities and maintaining two-way communication.

**(ii) Municipal Department Heads and Officers** responsible to implement actions relevant to their department as assigned.

##### **(iii) Municipal Planner**

Key Relevant Skills and Competencies for a planner include; GIS, data analytics and database management; advocacy, partnership building, and negotiation; communication, stakeholder management, and organising and coordinating PPDFs; economic analysis, strategy development, and investment promotion and financial instruments and management.

##### **(iv) Operations and Finance**

Allocation within the urban board annual capital and recurrent budgets for provision of office space, equipment, ICT tools, engagement activities, meetings and travel.

#### **c) Coordination mechanisms**

- Coordination mechanisms to ensure horizontal linkages across urban departments and vertical connections between urban structures, county government, and relevant Ministries, Departments and Agencies.
- Multi-sectoral and agency collaboration to foster joint actions to address the transversal needs of the local economy and business environment, which may involve delegated and concurrent functions and shared responsibilities, is essential for collective action.

#### **d) Partnerships**

Partnership policies, guidelines, and modalities are necessary to leverage private sector expertise and resources to support the successful implementation of the framework.

### **3.2 Enablers for effective and sustained private sector engagement**

The following are key enablers for sustained private sector engagement

1. **Policy Commitment and Accountability:** The county executive should formally adopt the framework, ensuring it is firmly rooted in county policies and legal structures and harmonised with local regulations. Integration into county and urban plans is essential, with defined roles, responsibilities, and monitoring mechanisms, including clear targets and indicators embedded in the performance contracts of the CEC and urban area boards.
2. **Institutional Commitment:** Strong political leadership is required to champion engagement, secure stable budgetary resources, and hold stakeholders accountable for reforms and outcomes. The board must fully embrace its responsibilities, delegate tasks appropriately, and actively support the urban manager.
3. **Collaboration Mechanisms:** Effective cooperation between county departments and urban boards is vital for operationalising the framework and enabling capacity support, information sharing, and resource coordination. For instance, establishing unified database structures across departments and revenue boards will streamline data sharing and aggregation, benefiting urban planning and other departmental functions.
4. **Partnerships:** Build and strengthen relationships with external stakeholders, such as local chambers of commerce, to enhance engagement, outreach, capacity building, surveys, and research. County Revenue Boards can offer valuable data analytics and statistical expertise, while investment authorities could contribute research and promotional activities.
5. **Resource and Staffing Allocation:** Ensure sufficient budgetary resources and appropriately skilled personnel are dedicated to engagement activities, matching the technical needs of private sector collaboration and urban development.
6. **Technology and Innovation:** Invest in digital solutions for managing data, mapping, and analytics to boost the strategic and evidence-based decision-making capabilities of urban boards.
7. **Private Sector Expertise and Innovation:** Form partnerships and outsource specific functions to private sector entities to leverage their specialized skills. Examples include utilising advanced digital technologies for database management, GIS mapping, and communication tools to support outreach and engagement.
8. **Transparency and Accountability:** Establish clear objectives for engagement, supported by comprehensive monitoring and performance systems. Reporting should be integrated into the strategic plan of the urban board, with public access to information and open, accountable communication channels to facilitate two-way dialogue.
9. **Inclusive Representation:** Apply guidelines to ensure diverse representation, such as the two-thirds gender rule and inclusion of youth, persons with disabilities, refugees, and other interest groups. Promote open and representative dialogue, complemented by strong outreach efforts to prevent information gaps.

10. **Capacity Building:** Allocate necessary resources and personnel to support an ongoing development of the urban board, administration, and private sector partners.

### 3.3 Challenges, Risks and Mitigation Strategies

Engaging the private sector is essential for building sustainable and competitive urban environments. Nevertheless, this engagement brings various risks and challenges that must be carefully managed to achieve effective collaboration and positive results. By proactively recognising and addressing these issues, urban boards can foster a supportive atmosphere for private sector involvement, which helps promote innovation, boost efficiency, and encourage inclusive development. Table 2 provides an overview of the main challenges, associated risks, and strategies for mitigation.

**Table 2: Challenges, Risks and Mitigation Measures**

<b>Risk</b>	<b>Mitigation Measures</b>
<b>Private Sector Database</b>	
<b>Unauthorised data access</b>	<ul style="list-style-type: none"> <li>• Implement robust data security measures, such as encryption and access controls.</li> <li>• Ensure compliance with relevant data privacy laws (e.g., Data Protection Act, 2019).</li> <li>• Regularly audit data access logs and security protocols.</li> </ul>
<b>Data privacy breaches</b>	<ul style="list-style-type: none"> <li>• Develop a comprehensive privacy policy, shared with all relevant stakeholders.</li> <li>• Educate staff and businesses on data privacy protocols.</li> <li>• Limit access to sensitive data and implement tiered permission levels.</li> </ul>
<b>Technological and operational risks: Technological failures and operational inefficiencies undermine engagement</b>	<ul style="list-style-type: none"> <li>• Invest in reliable technology systems and establish regular maintenance schedules.</li> <li>• Provide staff with appropriate training and necessary operational equipment.</li> </ul>
<b>Private Sector Diagnostic</b>	
<b>Procurement delay</b>	<ul style="list-style-type: none"> <li>• Ensure engagement activities including the diagnostic exercise is in the urban annual plan and budget of the fiscal year when it is expected to take place.</li> </ul>
<b>Limited access to accurate and up-to-date data from businesses</b>	<ul style="list-style-type: none"> <li>• Conduct preliminary data mapping exercises to identify data sources and address data gaps.</li> <li>• Collaborate with business associations to ensure accurate data collection.</li> <li>• Leverage existing databases such as business licensing systems and tax registries to access updated data.</li> </ul>
<b>Low response rates or poor participation from businesses</b>	<ul style="list-style-type: none"> <li>• Partner with business associations and chambers of commerce to build trust and encourage participation.</li> <li>• Offer incentives such as showcasing the benefits of diagnostic findings (e.g., improved business climate).</li> <li>• Use multiple data collection methods (e.g., surveys, focus groups, interviews) to ensure broad participation.</li> </ul>
<b>Lack of skilled personnel to carry out the diagnostic</b>	<ul style="list-style-type: none"> <li>• Invest in staff training on conducting diagnostics, data analysis, and stakeholder engagement.</li> </ul>

	<ul style="list-style-type: none"> <li>• Outsource specific technical components (e.g., data analytics) to private sector experts if necessary.</li> </ul>
<b>High costs of conducting the diagnostic</b>	<ul style="list-style-type: none"> <li>• Explore partnerships with development agencies and the private sector to share costs.</li> <li>• Break down the diagnostic into phases to spread costs over multiple years if necessary.</li> </ul>
<b>Diagnostic results not integrated into policy and planning</b>	<ul style="list-style-type: none"> <li>• Ensure that diagnostic findings are linked to specific policy and planning timelines, such as the preparation of the annual urban development plan.</li> <li>• Establish clear pathways for incorporating diagnostic results into decision-making processes.</li> </ul>
<b>Public Private Dialogue Forums (PPDF)</b>	
<b>Poor engagement by the private sector: Long-standing mistrust due to previous transactional, predatory relationships, or political, cultural/social disputes</b>	<ul style="list-style-type: none"> <li>• Conduct targeted communication and outreach campaigns focused on the benefits of engagement.</li> <li>• Establish transparent and accessible two-way communication channels and feedback loops.</li> <li>• Set up oversight, monitoring, and accountability mechanisms to ensure responsiveness.</li> <li>• Publish key information and reports to foster transparency and build trust.</li> </ul>
<b>Conflicts of interest between the private sector and urban board; or among private sector actors, delaying consensus</b>	<ul style="list-style-type: none"> <li>• Enhance the facilitation, negotiation, and analytical capacity of urban officers to manage and resolve conflicts.</li> <li>• Conduct thorough analysis and assessments to inform dialogues.</li> <li>• Engage external facilitation experts if necessary to mediate and ensure smooth discussions.</li> </ul>
<b>Resource risks: Inadequate financial and human capacity to conduct activities</b>	<ul style="list-style-type: none"> <li>• Identify staffing needs and capacity gaps for the PPDF and include them in the urban board's staff establishment plan.</li> <li>• Assign qualified and relevant staff to manage engagement activities.</li> <li>• Plan for financial and human resource allocation for capacity building.</li> <li>• Ensure that PPDF activities are incorporated into the urban board's annual plan and budget.</li> <li>• Integrate priority interventions identified in the forums into the urban board's annual strategic plan and budget.</li> </ul>

### 3.4 Performance and accountability framework

A robust performance and accountability framework is crucial for making sure resources are used effectively and for fostering trust and confidence among stakeholders. By establishing clear targets, performance indicators, and outcomes for each part of the engagement process, these requirements can be seamlessly incorporated into the board's performance management system. This approach enables ongoing monitoring, evaluation, learning, and reporting, which enhances transparency and accountability, allowing boards to track progress, adjust strategies, and boost overall effectiveness. Annex 3 includes an example of a results framework.

### 3.5 PSEF considerations for sustainability

The following shall be key for sustainability

1. **Secure commitment from political leadership** by engaging high-level officials to champion and advocate for effective reform implementation. Government should ensure adequate and predictable budget resources, actively monitor progress, support initiatives, and uphold accountability for outcomes.
2. **Enhance collaboration between county and urban boards** to promote the sharing of information, resources, and support necessary for smooth implementation.
3. **Provide sufficient, skilled staffing and technical expertise to assist urban managers.** The technical capacity must meet the requirements of private sector engagement and urban development.
4. **Invest in modern digital technologies**, such as data management, mapping, and analytics tools, to strengthen urban boards' abilities in strategic planning and informed decision-making.
5. **Form partnerships with the private sector** and outsource tasks to leverage their specialised expertise, especially for managing databases and advanced data analytics like Geographic Information Systems (GIS) that enable comprehensive data visualisation.
6. **Allocate resources for ongoing private sector diagnostics** and regular dialogue sessions, ensuring that business environment insights and stakeholder needs remain current.
7. **Integrate political accountability into reform processes** by embedding targets and performance indicators into the county's performance management systems, including the performance contracts of County Executive Committee (CEC) members.

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## **ANNEXES**

Annex 1: Summary of the relevant legislation

Annex 2: Alignment and linkage to the urban governance regulatory framework

Annex 3: Sample results framework.

## Annex 1: Summary of the relevant legislation

<i>Legal instrument</i>	<i>Article/Section</i>	<i>Provision</i>	<i>Details of provision</i>
<b>Constitution of Kenya (2010)</b>	Article 184	<i>Governance and management of urban areas and cities</i>	<i>National legislation on the governance and management of urban areas and cities shall provide for the participation of residents</i>
<b>County Government Act (CGA), 2012</b>	<i>Part VIII</i>	<i>Citizen participation</i>	Outlines the principles of public participation, the rights of citizens, requires for the establishment of modalities and platforms for citizen participation by county governments and all decentralized units of the county
	<i>Section 104</i>	<i>Obligation to plan and to promote public participation in the process</i>	Urban areas are designated as planning authorities and required to promote public participation in the process
	<i>Section 105</i>	<i>County planning units</i>	County planning units should ensure the collection, collation, storage and updating of data and information suitable for the planning process
	<i>Section 115</i>	<i>Citizen participation in county planning</i>	Requiring that public participation in county planning be mandatory; counties are required to develop laws, regulations and establish mechanisms as provided in Part VIII
<b>Urban Areas and Cities (Amendment) Act, 2019</b>	Section 11 (d)	<i>Principles of governance and management</i>	Requires the institutionalised active participation by its residents in the management of the urban area and city affairs
	Section 13	<i>Private sector representation on Boards of Cities</i>	On the composition Boards of Cities which are responsible for governance and management of urban areas <i>provides for two of the nine members to be nominated by private sector organisations:</i> <i>(2)(b) an association representing the private sector in the area;</i> <i>(2)(c) a cluster representing registered associations of the informal sector in the area;</i>
	Section 14	<i>Private sector representation on Boards of Municipalities</i>	<i>On the composition of Board of Municipality provides for two of the nine members to be nominated by private sector organisations</i> <i>(3)(b) an association representing the private sector in the area;</i>

			<i>(3)(c) a cluster representing registered associations of the informal sector in the area;</i>
	<i>Section 21</i>	<i>Powers of the boards of cities and municipalities</i>	<i>(1)(g) to ensure participation of the residents in decision making and, in its activities, and programmes in accordance with the Schedule to the Act as provided in the County Governments Act, 2012 and any other national legislation on public participation</i>
	<i>Section 22</i>	<i>Citizen fora</i>	<i>Subject to the Second Schedule provides for urban residents to deliberate and make proposals on county and national policy and legislation, plans and budgets; and monitor the activities of officials and board members cities and urban areas. And for Urban boards to seek and receive petitions and representations from citizen fora on the management and administration of urban affairs within its jurisdiction and functions and make recommendations on issues raised for implementation and reporting by the Urban Manager on decisions made on the recommendation. Including on service provision, development plans (i.e., IDEPs) and budgets, policies and legislation.</i>
	<i>Second Schedule</i>	<i>Rights of, and participation by residents in affairs of their city or urban areas</i>	<i>Outlines the rights and duties of residents; requires that city or urban areas develop systems of governance, mechanisms, processes and procedures that encourage citizen participation in its affairs; apply resources and build capacity of urban residents to do so</i>
	<i>Section 45(1)</i>		<i>Three months before the commencement of each financial year, a board or town committee shall cause to be prepared estimates of the revenue and expenditure of a board or town committee for that year</i>
<b>Draft UACA Regulations, 2022</b>	<i>19 Fifth and Sixth schedules</i>	<i>Registration, accreditation, and clustering of business community within urban areas and cities</i>	<i>Guides the process for the urban boards to accredit and maintain a register updated annually of business associations operating within the specified urban area, city, municipality for the purpose of promoting consultation; to facilitate the process the business associations shall apply for accreditation as prescribed in the Fifth Schedule and Urban Board will issue a certificate of accreditation as prescribed in the Sixth Schedule once satisfied the association has</i>

			<i>meet the requirements which are proof of existence for two years, proof or registration by the competent, recognized body under the requisite law, proof of membership of at least 25% of the persons undertaking the business/economic activity under that relevant business area, active participation of its members in the management and governance of the association</i>
	27	<i>Promoting active citizenship and participation.</i>	<i>For purposes of promoting vibrant and active citizenship and participation in urban areas and cities, the Boards shall put in place measures to (a) map representative groups within the urban area or city; (b) set up appropriate platforms for engagement and participation; (c) empower residents through capacity development initiatives on urban development matters; and (d) set up community outreach programmes.</i>
	31(1)	<i>Citizen fora composition</i>	<i>The citizen fora shall comprise of (a) accredited neighbourhood associations in the area; (b) registered associations of the informal sector including market committees and public transport associations in the area; (c) the association representing the private sector in the area; (d) professional associations in the area; (e) the association of business community in the area; (f) Faith Based Organisations; and (g) any other entity that the Boards or the Committees may deem necessary. . <b>These entities may participate as clusters in their respective organisations.</b></i>
	32, 33		<i>Provides for the convening of the fora, election and responsibilities of an executive committee. And the conduct of meetings</i>
<b>Public Financial Management Act (2012)</b>	175	<i>Budget and budget process for urban areas or cities</i>	<i>Requires urban boards involve the public in budget making processes. Provides the budget process for urban areas and cities i.e., the urban board shall prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates; and the public given the opportunity to participate in the process as per Second Schedule, Urban Areas and Cities (Amendment) Act, 2019</i>

<b>Access to Information Act, 2016</b>	Sec. 4 and 5	On Right to information and disclosure of information by public entities	The Act guarantees the right of access to information held by public entities, including county governments. It ensures transparency and accountability in the governance processes by allowing citizens to access relevant information.
<b>Data Protection Action, 2019</b>	Part X1 Section 72	On offences of unlawful disclosure of personal data	The Act provides outlines offences related to unlawful disclosure of personal data and information
<b>Public private partnerships Act, No 15, 2012</b>	Section 19 and 20	Public Private Sector partnership on Section 19 and Section 20 Sector Diagnostic Study and Assessment	Public private partnerships Act, No 15, 2012 provides for the private sector engagement and undertaking diagnostic study of the local economy on Public Private Sector partnership and Section 20 Sector Diagnostic Study and Assessment
<b>The County Licensing (Uniform Procedures) Act 2024</b>	<i>Sec. 4e</i>	<i>Coding system</i>	The Act provides for Counties to establish and implement a system that designates different codes for the different categories of licenses issued by that authority.
<b>County Assembly Standing Orders</b>	PART XXVII	Public access to the county assembly and its committees	County assemblies have their standing orders that outline the procedures and mechanisms for public participation in the legislative processes. These orders provide guidance on how the public can engage with the assembly.
<b>Kajiado County Revenue Administration Act</b>	Several	Revenue Management	This Act governs the collection, management, and oversight of county revenue, ensuring accountability and efficiency.
<b>Kajiado County Investment and Development Policy</b>	CIDP 2023-2027	Investment, Private Sector Engagement	Provides guidelines for attracting and regulating investments, fostering partnerships, and supporting economic growth in the county.

<b>Kajiado County Trade and Markets Act</b>	Part II, III	Stakeholder engagement and revenue collection	Regulates establishment, management, and operation of markets and trade within the county, addressing stakeholder engagement and revenue collection.
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## Annex 2: Alignment and linkage to the urban governance regulatory framework

<b>Private sector database, maintaining a register of accredited business association; outreach and capacity building of business associations.</b>				
<b>Purpose:</b> Database on the private sector for analytical purposes; and to facilitate targeting, clustering for engagement and the implementation of relevant and targeted interventions.				
<b>Alignment to urban governance framework</b>		<b>Purpose</b>	<b>Timing</b>	<b>Tools</b>
<b>UACA Draft Regulations, 2022, Regulation 19;</b>	Urban boards are required to accredit and maintain a register of accredited business associations for clustering of business community within urban areas and cities to facilitate engagement and service delivery  Urban Boards are required to map representative groups within the urban area or city, set up platforms for engagement and participation and empower residents through capacity building and outreach programmes	<ol style="list-style-type: none"> <li>1. Urban area private sector database includes administrative location, address (geo-referenced), ownership, size, sector and industry, business activity - drawn from the county revenue department business licensing database</li> <li>2. Used for analytical purposes and to cluster and convene private sector actors for engagement, planning and service delivery</li> </ol>	Updated annually	GIS Software; data collection surveys, KNBS data – county statistics, economic surveys, industry statistics, business license register, land registry, KNCC, business & trade & professional associations. Partnerships with data analytic companies
<b>Private sector diagnostics</b>				
<b>Purpose:</b> Facilitates analysis of the local business environment, private sector needs, opportunities, and challenges and potential solutions to address bottlenecks (based on the four levers of competitive cities (World Bank, 2012				
<b>Alignment to urban governance framework</b>		<b>Purpose</b>	<b>Timing</b>	<b>Tools</b>
<b>CGA, 2012, Section 104, 105 PFMA, 2012, Section 175</b>	Urban boards are required to prepare an Integrated Plan, and every year prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates and give the public the opportunity to participate as per CGA, 2012 Second Schedule  As planning units, they are required to collect, store and update data and information suitable for the planning process	<ol style="list-style-type: none"> <li>1. Informs the: <ul style="list-style-type: none"> <li>- IDEP preparation and review, annual urban strategic plan and budget estimates</li> <li>- city/municipality spatial &amp; land use plans, zoning plans</li> <li>- departmental strategic and implementation plans.</li> </ul> </li> <li>2. Informs the county CIDP preparation and review, county spatial plan, Sector Plans, ADP and CFSP (where sector priorities and ceiling are established), Urban (&amp; other sector) Departmental</li> </ol>	Every 3-5 years  Reviewed and updated annually (through the PPD processes)	

		Strategic Plans and Implementation Plans, county budget estimates, implementation, monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports		
<b>Public Private Dialogue Forum – Platform for Policy Dialogue and Prioritization of Intervention</b>				
<b>Purpose:</b> Creates an institutional platform for virtuous, inclusive and structured dialogue to meet specific objective. Engagements focused on the four policy pillars; or sector/industry-based; or issue-based convened as required				
<b>Alignment to urban governance framework</b>		<b>Purpose</b>	<b>Timing</b>	<b>Tools</b>
<b>Urban Areas and Cities (Amendment) Act, 2019 21, 22, Second Schedule and the Regulations, 2022</b>	<p>Urban boards are required to ensure the participation of residents in decision making and in its activities and programmes;</p> <p>To establish and institutionalise active participation of its residents in the management of the affairs of urban areas and cities</p> <p>To create citizen for a as platforms to seek and deliberate on county and national policy, legislation, plans and budgets</p> <p>Second schedule outlines rights and duties of residents of urban area in city and urban areas and requires urban areas development systems of governance, mechanisms, processes and procedure to encourage citizen participation urban residents</p>	<p>1. The PPD minutes and resolutions informs:</p> <ul style="list-style-type: none"> <li>- urban planning and budgeting:</li> <li>- IDEP preparation and review, urban area annual strategic plan and budget estimates,</li> <li>- city/municipality spatial &amp; land use plans, zoning plans</li> <li>- departmental strategic and implementation plans.</li> <li>- Urban area budget implementation reporting: quarterly budget implementation reports</li> </ul> <p>2. Informs preparation and review of plans county:</p> <ul style="list-style-type: none"> <li>- CIDP preparation and review, county spatial plan, ADP and CFSP (where sector priorities and ceiling are established), Urban (&amp; other sector) Sector Plans, Departmental Strategic Plans and Implementation Plans, county budget estimates</li> <li>- County budget implementation monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports</li> </ul>	Quarterly Issue based convened when required	

**Key:**

ADP - Annual Development Plan

CBROP - County Budget Review and Outlook Paper

PS - Private sector

PSD – Private Sector Development

### Annex 3: Sample results framework

Goal	“To secure, well-governed, competitive, and sustainable urban areas and cities that contributes to the realisation of the broader national development goals articulated in the Constitution of Kenya, Vision 2030 and Kajiado County Laws”							
Outcome	Competitive urban area which attracts and retains private sector investment and growth							
	Indicator	Definition	Baseline	Target	Data Source	Frequency	Responsible	Reporting
Result/ Output 1	Organising the private sector for effective engagement							
Activity 1.1.								
Activity 1.2.								
Result/ Output 2	Private sector diagnostic conducted to inform urban policy and planning for competitive urban areas							
Activity 2.1.								
Activity 2.2.								
Result/ Output 3	Public private dialogue forums established							
Activity 3.1.								
Activity 3.2.								
Result/ Output 4	Capacity building, outreach, communication and feedback channels established							
Activity 4.1.								
Activity 4.2.								