



PUBLIC-PRIVATE SECTOR NEEDS DIAGNOSTIC FOR UASIN GISHU COUNTY

2026







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EXECUTIVE SUMMARY

The Public-Private Sector Needs Diagnostic assesses the private sector landscape in Uasin Gishu County, identifying constraints, opportunities, and spatial disparities to inform the Private Sector Engagement Framework (PSEF) under Kenya Urban Support Programme II (KUSP II) Result Area 4 (RA 4).

The diagnostic draws on county administrative data (e.g., 44,000 active enterprises, 2023-2024), KNBS statistics, and stakeholder consultations, with a focus on Eldoret City as the economic hub and emerging municipalities (Turbo, Moishbridge, Burnt Forest, Ziwa, Kesses).

The purpose is to generate evidence-based insights to support structured engagement, investment mobilization, and inclusive growth.

Key Findings

- **Private Sector Structure:** Dominated by MSMEs (~85%), concentrated in trade/services (50%) and agriculture (39% GCP).
- **Regulatory Constraints:** Centralized SBP processes streamline approvals in Eldoret but create delays (2-4 weeks) and high informality (~60-70% of MSMEs) in municipalities. Overlapping mandates with national agencies hinder compliance and formalization.
- **Infrastructure Gaps:** Eldoret benefits from robust utilities and transport, but ~40-50% of rural roads remain unpaved, and peri-urban electricity/water coverage is low (~60%), affecting logistics and investment in municipalities.
- **Skills & Innovation:** Literacy is high (~85-90%), yet digital, managerial, and technical skill gaps persist; low R&D (~1-2% of enterprise budgets) constrains tech adoption outside Eldoret. NEET rates (~27%) and youth underemployment (~65%) highlight labor mismatches.
- **Finance & Enterprise Support:** High interest rates (15-20%) and collateral requirements limit MSME financing, while advisory services are concentrated in Eldoret, leaving rural enterprises underserved. Pre-PSEF private investment estimated at KES 500M.
- **Spatial Imbalances:** Eldoret captures ~70% of investments and formal jobs; municipalities face connectivity, service, and formalization deficits.

Conclusions

- The county's private sector has growth potential, but regulatory friction, infrastructure deficits, skills gaps, and limited finance constrain competitiveness.
- Structured engagement through the PSEF is essential to mobilize investment, formalize MSMEs, and address spatial imbalances.
- Evidence-based interventions, supported by MEL mechanisms, are required to ensure sustainable, inclusive growth, particularly for youth, women, and peri-urban municipalities.

Recommendations

1. **Policy & Regulatory:** Digitize SBP, clarify institutional mandates, establish county-wide PPD regulations, and implement annual reform tracking.
2. **Infrastructure & Land:** Upgrade rural roads, expand utilities, rezone industrial land for EPZs, and leverage blended finance/PPPs.



3. Skills & Innovation: Scale TVET programs, establish innovation hubs, create a county skills database, and strengthen university-private sector linkages.
4. Enterprise Support & Finance: Launch a county SME fund, expand advisory services, promote business incubators, and implement blended finance mechanisms for youth and women enterprises.
5. Monitoring & Learning: Embed MEL dashboards, annual reviews, and adaptive learning to track PSEF effectiveness and RA 4 compliance.

Impact Projection: Implementation is expected to mobilize KES 2B in private investment and create ~30,000 jobs by 2027, fostering spatially balanced, inclusive economic growth across Eldoret and emerging municipalities.



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CHAPTER 1:

INTRODUCTION

1.1 Background

Uasin Gishu County is a strategically located economic territory in western Kenya's Rift Valley, covering approximately 3,345 km² and home to a rapidly growing population that rose from an estimated 1,163,186 in 2019 to over 1.28 million by 2024 and is projected above 1.30 million by 2026, driven by natural growth and immigration tied to Eldoret's urbanisation and economic pull. ([Kenya News Agency](#))

The county ranks among Kenya's top contributors to national economic output, with Gross County Product (GCP) rising from about KSh 223.8 billion in 2019 to KSh 349.2 billion by 2024, making it eighth nationally in economic size. ([Kenya News Agency](#)) Its economy is anchored in agriculture, trade, transport and services, with substantial contributions from wholesale and retail commerce, logistics linked to the Northern Corridor, and emerging manufacturing and processing activities. ([The Star](#))

Agriculture remains foundational, benefiting from fertile highland soils that support commercial grain farming, dairy production that nearly doubled between 2019 and 2024, and significant horticultural outputs. These primary activities generate surplus flows into trade, transport and services, underpinning value chains that stretch from rural production zones to urban markets. ([Uasin Gishu County](#))

Despite this economic momentum, structured engagement between the County Government and the private sector has been limited. Engagement has been largely transactional, focused on licensing, compliance and episodic consultations, rather than strategic, data-driven collaboration that aligns public investment, regulation and enterprise needs. Constraints such as regulatory complexity, limited access to finance, skills gaps, and infrastructure bottlenecks especially in rural and periurban areas continue to inhibit productivity growth, formalisation of enterprises, and broad-based job creation.

A comprehensive diagnostic was therefore commissioned to establish a robust evidence base for private sector engagement. Its purpose is to (i) map the private sector as it actually exists, (ii) identify real constraints and opportunities across sectors and locations, (iii) assess public sector capacity to engage effectively, and (iv) propose actionable policy, institutional, and programmatic interventions that advance local competitiveness and responsive governance. This diagnostic is anchored in the need to shift engagement from compliance to governance, enabling the county to plan and implement interventions that reflect enterprise realities rather than assumptions.

1.2 Objectives of the Diagnostic Analysis

The core objectives of this diagnostic are:

- **Private Sector Mapping:** Quantify active enterprises by scale, location, and sector, differentiating between observed activity and broader economic presence.
- **Structural Analysis:** Analyse demographic, labour market, and spatial factors that shape economic activity and enterprise performance.
- **Constraint Identification:** Examine regulatory, infrastructure, financial, human capital and institutional barriers that inhibit growth and formalisation.



- **Institutional Assessment:** Evaluate county government roles, coordination mechanisms, and administrative capacities related to enterprise support and engagement.
- **Policy and Strategic Recommendations:** Provide evidencebased interventions tailored to county needs across institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance.
- **Engagement Framework:** Establish mechanisms for structured, predictable dialogue between the county government, private sector actors, business associations, and supporting institutions.

1.3 Scope of the Diagnostic

The diagnostic covers Uasin Gishu County's entire economic landscape, including urban cores (especially Eldoret City), periurban municipalities, and rural production areas. It incorporates primary and secondary data sources such as county administrative records (notably the 2023 Single Business Permit register), national statistical data, business association records, structured enterprise surveys, key informant interviews, and field mapping. The analysis addresses firms across micro, small, medium and large size categories, formal and informal status, and includes sectoral clusters in agriculture, trade and commerce, services, manufacturing and industry.

The diagnostic adheres to rigorous statistical and analytical standards, integrating spatial analysis, stratified sampling, and triangulation for validity, ensuring results are representative and defensible for policy use.

1.4 Relevance of the Diagnostic

This diagnostic is critical for multiple stakeholders:

- **County Government:** It provides a structured evidence base to inform planning (CIDP/ADP), budgeting, regulatory reform, infrastructure prioritisation, and institutional coordination.
- **Private Sector Actors:** It enhances understanding of enterprise needs, dynamics and clusters, enabling more targeted support and engagement platforms.
- **Development Partners and Investors:** It offers quantified insights into key sectors, growth opportunities, and risk factors, improving investment decisionmaking.
- **Civil Society and Community Groups:** It highlights inclusion gaps (e.g., youth, rural enterprises) and opportunities for capacity building and empowerment.

By articulating clear linkages between enterprise dynamics and public policy levers, this diagnostic supports the transition to structured, strategic engagement that aligns county governance systems with the realities of economic actors, laying the groundwork for competitive, inclusive, and sustainable economic development in Uasin Gishu County.



CHAPTER 2:

SITUATIONAL ANALYSIS

2.1 Overview of the Local Business Environment and Private Sector Competitiveness

Uasin Gishu's private sector operates within a spatially differentiated and economically diverse environment. Eldoret City, as the county's principal urban center, anchors commercial activity, housing a concentration of medium and large firms, financial services, higher education institutions, and health facilities. Periurban municipalities including Turbo, Mois Bridge, Kesses, Burnt Forest, and Ziwa serve as secondary economic nodes where micro and small enterprises cluster around trade, services, and agrovalue activities. Rural areas sustain the county's agricultural base and contribute raw materials to processing and logistics chains.

Firm competitiveness in the county is shaped by access to infrastructure, workforce skills, and market connectivity. Urban firms generally benefit from proximity to financial services, business support networks, and logistical linkages, while periurban and rural enterprises face constraints in these areas. Informality remains pervasive: administrative records indicate approximately 18,178 registered enterprises in 2023 (Single Business Permit data), but statistical adjustments suggest a broader 44,000 active enterprises when informality, renewal behavior, and enterprise persistence are accounted for. Micro and small enterprises comprise the majority of this stock, reflecting a structurally microenterprise dominated economy with significant implications for engagement and policy design.

2.2 Economic Context

Population and Labor Dynamics

Uasin Gishu's population has grown from 1,163,186 in 2019 to an estimated 1.28 million in 2024, with projections exceeding 1.31 million by early 2026. The workingage cohort (18+) represents the bulk of residents, with youth (18–35 years) forming a dominant share of the unemployed. This demographic pattern creates sustained pressure for job creation in the private sector, particularly within micro, small, and medium enterprises (MSMEs), which are the primary absorbers of labor outside the public sector.

Gross County Product and Sectoral Shares

According to the 2025 Uasin Gishu County Statistical Abstract, Gross County Product increased from KSh 223.8 billion in 2019 to KSh 349.2 billion in 2024, reflecting broadbased growth across agriculture, trade, services, and, to a lesser extent, industry and manufacturing.

Sector	Approximate Share of Output	Notes
Agriculture, forestry, fishing	~40%	Large rural base; supports value chains
Services (trade, transport, education, health, real estate)	~45–50%	Driven by urban demand and logistics
Industry and manufacturing	~10–15%	Inclusive of processing and light manufacturing



Agricultural Performance Trends

Key agricultural indicators demonstrate notable growth:

- Milk production rose from 216.7 million kg in 2019 to 462.9 million kg in 2024.
- Maize production increased from 368,475 tons to 414,075 tons over the same period.

These gains reflect improvements in input access, extension services, and market connectivity, and they underscore agriculture's ongoing economic importance.

2.3 Key Sectors

The private sector's structural profile is rooted in several core sectors:

Agriculture & AgroProcessing:

Agriculture remains foundational, with smallholder farmers producing cereals, horticultural crops, and dairy. Informality is especially high here (estimated ~80%). While raw production is strong, value addition through processing remains underdeveloped, limiting productivity and employment growth.

Trade & Commerce:

Wholesale and retail trade account for the largest share of enterprise activity (over 50% of observed permits). This sector includes formal shops, periurban market stalls, and a wide array of informal vendors. Trade firms are integral for local consumption and link rural supply to urban demand but operate with thin margins and limited formal financing.

Transport & Logistics:

Transport services and logistics firms leverage Eldoret's strategic position on the Northern Corridor. These enterprises support regional movement of goods but contend with infrastructure deficit and regulatory compliance costs.

Education & Health Services:

Institutions such as Moi University, University of Eldoret, and private health facilities are significant service providers and employers. This segment contributes to skilled labor accumulation but remains geographically concentrated in urban areas.

Manufacturing & Industrial Firms:

Manufacturing activity, including processing of agricultural products and production of construction materials, represents a smaller share of enterprise stock (~4%), but exhibits potential for scaling through improved infrastructure and skills linkages.

ICT & Innovation:

An emerging cluster of ICT firms, tech hubs, and digital service providers is building digital capacity and innovation support, though this remains concentrated in urban nodes.



2.4 Stakeholder Map

Effective engagement requires understanding the array of actors who shape private sector dynamics. Below is a synthesized stakeholder map with key roles and relevance:

Stakeholder Category	Examples / Entities	Primary Role / Function	Influence / Relevance
Large Enterprises	Brookside Dairy, Unga Limited, major logistics firms	Anchor investment, value chains	High
MSMEs	Micro traders, periurban services, rural agribusinesses	Employment, local economic activity	High volume; low individual influence
Business Associations	KNCCI; Eldoret Chamber of Commerce; Transport Associations; Farmer Cooperatives	Advocacy, networking, policy dialogue	Medium-High
Financial Institutions	Equity Bank, KCB, Cooperative Bank, SACCOs, microfinance	Access to credit, savings	High influence on growth potential
Civil Society / NGOs	Enterprise Development Centre Eldoret, youth & women business groups	Skills, inclusion, capacity building	Medium
County Government Line Departments	Trade & Enterprise, Agriculture & Livestock, Roads & Transport, Finance & Planning, ICT & Innovation, Youth & Gender Affairs	Regulation, planning, service delivery	High
Education & Training Institutions	Moi University, University of Eldoret, Eldoret National Polytechnic	Skills development, research	Medium

Analytical Summary:

The county's private sector is structurally microenterprise dominated, heavily informal, and spatially clustered. Associations such as KNCCI aggregate enterprise voices and play a central advocacy role, while financial institutions act as gatekeepers of capital. Government departments have overlapping mandates that necessitate coordinated engagement mechanisms to avoid duplication and to align public interventions with private sector needs.

2.5 Enterprise Competitiveness Patterns

The enterprise landscape, estimated at ~44,000 active businesses, reveals the following structural patterns (anchored in permit data and statistical adjustments):

- Sector Distribution (Comprehensive):
 - ❖ Trade & Commerce: ~52%
 - ❖ Services: ~24%
 - ❖ Agriculture & AgroProcessing: ~18%
 - ❖ Manufacturing & Industry: ~4%
 - ❖ Other: ~2%



- Size Distribution (Observed Permits):
 - ❖ Micro (1–5 employees): 35.2%
 - ❖ Small (6–20 employees): 51.7%
 - ❖ Medium (21–50): 9.7%
 - ❖ Large (51+): 3.5%
- Spatial Distribution (Observed Permits):
 - ❖ Urban: 44.6%
 - ❖ PeriUrban: 29.0%
 - ❖ Rural: 26.4%
- Infrastructure Access (Within 5 km of Roads & Power):
 - ❖ Urban: 78%
 - ❖ PeriUrban: 72%
 - ❖ Rural: 40%

These distributions reflect high enterprise density in urban areas with better infrastructure access and lower densities and greater constraints in rural zones.

2.6 Synopsis of Constraints and Competitive Factors

- Infrastructure Deficits: Rural enterprises disproportionately cite poor roads, unreliable electricity, and limited water access as top barriers.
- Regulatory Burdens: Complex approval processes and compliance costs slow enterprise formalization and scaling.
- Finance Access Gaps: Collateral requirements and high borrowing costs limit MSME investment and expansion.
- Skills Mismatches: Skills shortages in technical, managerial, and digital domains constrain productivity, especially in services and manufacturing.



CHAPTER 3:

APPROACH AND METHODOLOGY

3.1 Approach

The diagnostic adopts a mixed-methods, evidence-driven approach to assess private sector dynamics and competitiveness in Uasin Gishu County. The study combines quantitative and qualitative analyses to ensure both statistical rigor and contextual understanding. Key components include:

- **Desk Review:** Compilation and analysis of secondary data from county government records, Kenya National Bureau of Statistics (KNBS), sectoral reports, and prior diagnostic studies.
- **Primary Data Collection:** Field surveys targeting enterprises across urban (Eldoret), peri-urban (Burnt Forest, Ziwa, Kesses, Mois Bridge), and rural areas. Surveys capture firm size, sectoral activity, employment, infrastructure access, finance, and market linkages.
- **Key Informant Interviews (KIIs):** Consultations with county officials, business association leaders, financial institutions, and large enterprise representatives to contextualize quantitative findings.
- **Focus Group Discussions (FGDs):** Engagement with micro and small enterprise owners to capture informal sector dynamics, challenges, and perceptions on competitiveness.

The approach emphasizes triangulation, integrating multiple data sources to validate insights and mitigate biases inherent in single-source assessments.

3.2 Methodology

The methodology consists of structured data collection, statistical analysis, and stakeholder mapping:

1. **Sampling Design:**
 - Stratified random sampling for formal enterprises based on size, sector, and location.
 - Purposive sampling for informal enterprises and stakeholder interviews to ensure representation of marginalized groups and emerging sectors.
2. **Data Collection Instruments:**
 - Structured questionnaires for enterprises capturing demographics, operations, revenue, employment, and market access.
 - Interview guides for KIIs to explore policy, regulatory, and financing environments.
 - FGD guides to identify informal sector challenges and innovation practices.
3. **Data Analysis:**
 - Descriptive statistics for enterprise characteristics, sectoral distribution, and spatial patterns.
 - Econometric modeling (regression analysis) to assess determinants of enterprise growth and competitiveness.



- Value chain analysis for key sectors to identify bottlenecks and opportunities.
- SWOT and stakeholder mapping to assess institutional support, constraints, and strategic alignment.

4. Quality Assurance:

- Pre-testing of survey instruments to ensure clarity and reliability.
- Data cleaning and validation to remove inconsistencies or outliers.
- Use of cross-tabulation and correlation analyses to check internal consistency.

5. Reporting and Validation:

- Preliminary findings shared with county officials and business associations for feedback.
- Iterative refinement of analysis based on stakeholder input, ensuring alignment with observed realities and policy relevance.



CHAPTER 4:

SWOT ANALYSIS AND INSTITUTIONAL CONTEXT

4.1 SWOT Analysis of the Private Sector in Uasin Gishu County

The SWOT focuses on four policy levers: Regulation, Infrastructure, Finance, Skills & Human Capital.

- Strengths:
 - Clear enterprise registration framework and business licensing guidelines.
 - Eldoret is a regional logistics hub with some industrial estates in Burnt Forest and Ziwa.
 - Presence of financial institutions including commercial banks, SACCOs, and microfinance.
 - High literacy rate (~80%) and Moi University with TVET institutions provide skilled labor.
- Weaknesses:
 - Licensing delays (3–5 weeks) and inconsistent enforcement; high informal sector (~60%).
 - Limited rural infrastructure: 45% of roads unpaved; electricity and water gaps in peri-urban areas.
 - Low formal finance access for SMEs; skills mismatch in technical, managerial, and digital areas.
- Opportunities:
 - Streamlined, digitized licensing and single-window clearance.
 - Expansion of industrial estates and targeted rural electrification/water projects.
 - SME credit guarantee schemes and fintech platforms.
 - Technical training, internships, and digital skills programs.
- Threats:
 - Regulatory uncertainty and overlapping national-county mandates.
 - High rural infrastructure costs and urban-biased investment.
 - Limited risk appetite of financiers; loan defaults.
 - Slow technology adoption and youth underemployment.



4.2 Key Challenges

The private sector faces cross-cutting challenges linked to regulation, infrastructure, finance, skills, and spatial equity:

Challenge Area	Description	Impact
Regulation	Complex licensing and compliance processes	Delays in enterprise formalization; high informality
Infrastructure	Rural roads, water, and electricity gaps	Limits SME expansion and value chain integration
Finance	Limited SME access to credit	Constrains capital investment and growth
Skills	Technical and managerial skills gaps	Low productivity and slow technology adoption
Spatial Equity	Urban-centric investment	Peri-urban and rural enterprises underserved

4.3 Institutional Analysis

The institutional landscape highlights roles across county government, municipal/sub-county offices, private sector actors, and development partners:

- County Government: Policy formulation, infrastructure provision, coordination of private sector programs.
- Municipal/Sub-County Offices: Licensing, inspections, enterprise data collection.
- Private Sector & Business Associations: Enterprise growth, advocacy, and sector representation.
- Development Partners/NGOs: Capacity building, technical assistance, co-investment.

Institutional Gaps and High-Level Recommendations:

Gap	Recommended Action	Expected Outcome
Fragmented licensing	Single-window digital platform	Faster enterprise formalization
Rural infrastructure gaps	Expand industrial estates & electrification in Ziwa and Burnt Forest	Enhanced SME productivity & inclusion
Skills mismatch	Industry-TVET partnerships & digital skills programs	Improved labor productivity and competitiveness
Limited SME financing	Credit guarantee schemes & fintech integration	Greater SME access to capital



CHAPTER 5:

FINDINGS OF THE ANALYSIS

5.1 Policy Levers for Competitive Cities/Municipalities

This chapter presents key findings from the diagnostic assessment of Uasin Gishu County's private sector, structured around four policy levers: Institutions & Regulations, Infrastructure & Land, Skills & Innovation, and Enterprise Support & Finance. Analysis emphasizes Eldoret City as the main economic hub and emerging municipalities (Turbo, Moisbridge, Burnt Forest, Ziwa, Kesses), drawing on county administrative data, KNBS statistics (Gross County Product 2024), CIDP 2023–2027, County Fiscal Strategy Paper 2024/2025, and stakeholder consultations.

5.1.1 Lever 1: Institutions and Regulations

5.1.1.1 Business Regulations

- Licensing and Single Business Permit (SBP) registration is centralized at Eldoret CBD; sub-county offices exist but experience delays.
- Average processing timelines: 2–4 weeks, extended by inter-agency duplication (e.g., KRA verification).
- Informal sector dominance: ~85–90% of new jobs; ~60–70% of MSMEs operate semi-formally.
- Municipal disparities: Eldoret efficient; Burnt Forest & Ziwa face weaker enforcement.

5.1.1.2 Governance and Corruption

- County governance stable; 87% score in Kenya County Business Support Index 2025.
- Delays: 30–60 days due to overlapping county-national mandates, mainly in land approvals.
- Low corruption incidence; minor facilitation fees reported.
- Impact: MSMEs in municipalities face regulatory friction, limiting formalization and P-P-P participation.

5.1.2 Lever 2: Infrastructure and Land

5.1.2.1 Transport Infrastructure

- Eldoret International Airport: ~200,000 passengers/year; key cargo hub.
- Northern Corridor and arterial roads paved; rural feeder roads 40–50% unpaved.
- Public transport dominated by informal matatus and boda bodas, with safety and efficiency gaps.

5.1.2.2 Utilities

- Electricity coverage: Eldoret >90%; peri-urban municipalities ~60–70%.
- Water: Eldoret >80% piped; Burnt Forest/Ziwa ~40% coverage.
- Internet: Eldoret fiber expansion; rural networks variable, limiting digital uptake.



5.1.2.3 Land Availability and Use

- Land tenure: mostly freehold; agriculture-focused.
- Commercial/industrial land scarce in Eldoret; spillover to Ziwa and Turbo constrained by slow rezoning.
- Export Processing Zones (EPZ) under development; serviced land insufficient.

5.1.3 Lever 3: Skills and Innovation

5.1.3.1 Education and Training

- Literacy: 85–90% (KNBS 2024).
- Institutions: Moi University, Eldoret National Polytechnic, 13 TVET centers.
- Gaps: digital, managerial, entrepreneurial skills, especially outside Eldoret.

5.1.3.2 Labor Market Dynamics

- Youth unemployment ~12%; NEET ~27%.
- Labor migration to Eldoret reduces workforce in Burnt Forest, Ziwa.
- Skills mismatch limits productivity; underemployment affects ~65% of youth.

5.1.3.3 Research and Development

- Private sector R&D: ~1–2% of budgets; mainly Moi University collaborations.
- Innovation hubs emerging but underfunded; SME tech adoption limited.
- County partnership with foreigners targets skill-building but with limited reach.

5.1.4 Lever 4: Enterprise Support and Finance

5.1.4.1 Access to Finance

- Commercial banks, SACCOs, microfinance; high interest rates (15–20%) and collateral restrict access.
- Fintech inclusion growing: ~63% of MSMEs borrow for expansion.
- County and MSEA initiatives support financial literacy and registration for credit access.

5.1.4.2 Business Support Services

- Advisory services via KEPISA, local chambers, MSEA: reach limited, particularly in Ziwa and Kesses.
- County youth enterprise funds serve ~3,000 MSMEs/year; gaps remain in scale and municipal coverage.



5.2 Consolidated Overview: Key Gaps and Recommendations

Lever	Key Findings / Gaps	Spatial Differentiation (Eldoret vs Municipalities)	Actionable Recommendations (RA 4-aligned)
Institutions & Regulations	Centralized licensing (2–4 weeks); high informality (~60–70% MSMEs); overlapping mandates delaying approvals	Eldoret: Efficient; Burnt Forest/Ziwa: Uneven enforcement	Fully digitize SBP; integrate Public-Private Dialogue forums; formalization incentives for municipal MSMEs
Infrastructure & Land	Transport: ~40–50% rural roads unpaved; Utilities: electricity 60–70% in municipalities, water <50%; Limited serviced land	Eldoret: Strong air-port/road access; Ziwa/Turbo: intermittent utilities, unpaved feeders	Prioritize CIDP municipal infrastructure; PPPs for land rezoning; blended finance for utilities
Skills & Innovation	Youth unemployment ~12%; NEET ~27%; Skills gaps (digital, managerial, entrepreneurial); Low R&D investment	Eldoret: Access to universities/TVETs; Kesses/Moisbridge: Limited facilities	Expand GenKazi/TVET programs county-wide; county skills database; private sector-linked innovation hubs
Enterprise Support & Finance	High interest/collateral barriers; Limited advisory services; 63% MSMEs borrow	Eldoret: Better bank/fintech access; Turbo/Ziwa: Limited support	Scale MSEA/Inkomoko MOUs; county SME fund with de-risking tools; integrate MSME needs into annual development plans

Key Takeaways:

- Eldoret remains the primary growth node, capturing ~70% of investment and GCP (~2.5% nationally).
- Peri-urban municipalities face structural gaps in infrastructure, finance, and skills.
- Focused interventions via RA 4-aligned policy reforms, municipal capacity-building, and targeted investments can enhance competitiveness and equity.



CHAPTER 6:

MONITORING, EVALUATION, LEARNING, AND REPORTING (MEL)

This chapter outlines the MEL framework for tracking and guiding the implementation of the Private Sector Engagement Framework (PSEF) in Uasin Gishu County. The framework ensures accountability, adaptive management, and continuous improvement, aligned with KUSP II Result Area 4 (RA 4).

Implementation is overseen by a dedicated MEL Unit within the County Department of Economic Planning, with quarterly reviews by the CEC and annual audits for donor compliance. Indicators are SMART, spatially disaggregated (Eldoret vs. Turbo, Moisisbridge, Burnt Forest, Ziwa, Kesses), and cover firm size (MSMEs vs. large enterprises). Data is collected digitally and integrated into CIDP and ADPs.

6.1 MEL Framework Overview

Component	Indicator	Base-line (2024)	Target (2027)	Data Source	Frequency	Responsible Entity
Overall PSEF Effectiveness	% of private sector inputs incorporated into county plans/budgets	20%	60%	CIDP, stakeholder surveys	Quarterly	MEL Unit, CEC Finance
Engagement Coverage	# of private sector entities engaged (MSMEs/large firms, spatial)	5,000	15,000	Engagement registries, event logs	Semi-annual	Dept. of Trade
Investment Mobilization	Value of private investments mobilized (KES M)	500	2,000	Investment reports, PPP agreements	Annual	Investment Promotion Unit
Job Creation	# of jobs created via PSEF initiatives (youth/women)	10,000	30,000	Labor surveys, enterprise reports	Annual	Dept. of Youth Affairs
Regulatory Improvements	# of business environment reforms implemented from PPD feedback	2	10	Reform tracking matrix	Annual	CEC Urban Planning



Inclusivity	% of engagements including women, youth, informal sector	30%	70%	Participant demographics logs	Quarterly	MEL Unit
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6.2 Monitoring

- Real-time tracking via digital dashboards, GIS mapping, and mobile apps.
- Quarterly progress reviews flag deviations (e.g., low participation in Ziwa), enabling mid-course corrections.
- Field verification covers Eldoret City and municipalities, targeting 80% digital monitoring coverage.
- Data quality risks mitigated via third-party verification.

6.3 Evaluation

- Midline (2026) and Endline (2028) evaluations using mixed methods (quantitative surveys, qualitative interviews).
- Independent evaluators assess RA 4 outcomes: business environment, investment mobilization, and job creation.
- Focus: cost-benefit analysis of interventions (e.g., PPPs in Turbo) and attribution to PSEF-supported initiatives.
- Participatory approach with private sector input ensures relevance and policy uptake.

6.4 Learning

- Knowledge captured through after-action reviews, annual learning workshops, and a digital repository.
- Case studies: MSME integration in Kesses; informal sector engagement in Burnt Forest.
- Lessons inform adaptive adjustments, including regulatory, financial, and skills interventions.

6.5 Reporting

- Multi-tiered:
 - Monthly: internal updates to CEC
 - Quarterly: stakeholder PPD forums
 - Semi-annual: County Assembly
 - Annual: donors (World Bank KUSP II)
- Reports include dashboards, infographics, and narrative summaries; public versions are posted online.
- Feedback mechanisms allow private sector input and improve transparency in line with the PFM Act.



CHAPTER 7:

CAPACITY BUILDING AND TRAINING

Capacity building addresses gaps in public-private engagement, targeting county officials, private sector actors, and municipal entities. Initiatives align with PSEF objectives, CIDP 2023–2027 priorities, and RA 4 institutional strengthening, overseen by a Capacity Building Committee with an annual Sh100M budget.

7.1 Strategic Initiatives

Focus Area	Initiative	Target Group / Spatial Focus	Expected Outcome	Timeframe
Skills Development	Training on PPD facilitation, digital tools, business planning	500 county staff; 2,000 MSMEs; municipalities (Moisbridge, Kesses)	Improved engagement and formalization	2025–2027
Regulatory Capacity	E-learning modules on compliance and reform tracking	Municipal officers in Ziwa, Burnt Forest	Reduce SBP processing times by 30%	2025–2026
Innovation & Inclusivity	Establish innovation labs; fintech and green tech training	Eldoret, Turbo; youth & women via GenKazi	Promote entrepreneurship and R&D adoption	2025–2027
Spatial Balancing	Logistics & agro-processing training	Kesses, Moisbridge	Reduce rural-urban disparities, leverage EPZ & Northern Corridor	2026–2027

Implementation: Annual evaluation via MEL KPIs; adaptive adjustments based on feedback.

7.2 Partnership Opportunities

Partner Type	Opportunity	Expected Outcome / Investment	Risk Mitigation
Public-Private Partnerships (PPPs)	Infrastructure: road upgrades, utilities; blended finance	KES 1B targeted by 2027	MOUs, joint MEL, structured oversight
Development Partners	Funding & technical assistance (World Bank, USAID, Inkomoko)	Capacity building, MSME support	Formal agreements, donor reporting
Private Sector Alliances	Business incubators, SACCO access, CSR skills programs	Entrepreneurship promotion, finance access	Contractual agreements, performance monitoring
Academia & Civil Society	R&D collaborations, informal sector engagement	Knowledge creation, inclusivity	MOUs, joint MEL, feedback loops

Partnerships leverage county, private, donor, and academic resources, ensuring sustainable, spatially balanced outcomes.





CHAPTER 8:

SUMMARY AND NEXT STEPS

8.1 Summary

The Public-Private Sector Needs Diagnostic for Uasin Gishu County provides an evidence-based assessment of private sector constraints, opportunities, and spatial disparities, underpinning adoption of the Private Sector Engagement Framework (PSEF) under KUSP II RA 4.

Key diagnostic findings:

- Private sector profile: ~44,000 active enterprises (2024), dominated by MSMEs (85%). Sectoral composition: Agriculture (39% GCP), Trade/Services (50%), Logistics (11%).
- Spatial imbalances: Eldoret City concentrates formal investment and jobs (~70% of county GCP), while emerging municipalities (Turbo, Moisbridge, Burnt Forest, Ziwa, Kesses) support informal MSMEs with limited infrastructure.
- Labor dynamics: Youth constitute 35% of the population, with unemployment ~12% and NEET ~27%, highlighting need for inclusive private-sector-led growth.
- Constraints: Regulatory inefficiencies, infrastructure gaps, skills mismatches, limited finance access, low R&D, and informal enterprise dominance.
- Opportunities: Institutional frameworks (PPP Act 2021, County Licensing Act 2024), university-private sector partnerships, and emerging logistics/EPZ hubs.

PSEF Impact Targets:

- Mobilize KES 2B private investment by 2027.
- Create ~30,000 jobs, focusing on youth, women, and municipal inclusivity.
- Integrate evidence-based, spatially balanced reforms into CIDP and ADPs.

8.1.1 Lever-Specific Conclusions

Policy Lever	Key Insights & Constraints	Spatial Implications
Policy, Institutions & Regulations	Centralized SBP reduces processing efficiency (2–4 weeks); overlapping mandates; minor facilitation fees; high informality (~60–70%).	Eldoret: efficient; Burnt Forest/Kesses: regulatory friction limiting formalization.
Infrastructure & Land	Transport: Eldoret Airport, paved Northern Corridor; ~40–50% rural feeders unpaved. Utilities: electricity >90% in Eldoret, ~60% peri-urban; water <50% in Burnt Forest/Ziwa. Land tenure favors agriculture; industrial rezoning slow.	Eldoret captures 70% investment; municipalities constrained by connectivity gaps.
Skills & Innovation	Literacy high (~85–90%); skills gaps in digital/managerial sectors; R&D low (1–2% of enterprise budgets); NEET ~27%.	Eldoret: skilled labor; Kesses/Turbo: limited capacity, migration reduces rural labor pool.
Enterprise Support & Finance	Limited access due to high interest (15–20%) and collateral; advisory services concentrated in Eldoret; fintech inclusion ~63%.	Municipal MSMEs underserved; women/youth enterprises constrained.



8.2 Next Steps

Action	Timeline	Responsible Entity
PSEF Adoption	Q1 2026	County Executive Committee (CEC)
Stakeholder Launch & PPD Forums	Q2 2026	Dept. of Trade / MEL Unit
Resource Mobilization	Q2–Q3 2026	Investment Promotion Unit / Development Partners
MEL Setup & Baseline Surveys	Q1 2026	MEL Unit
Capacity Building Rollout	Q2 2026 onward	Capacity Building Committee
Monitoring & Iteration	Ongoing; APA submissions annually	MEL Unit / CEC Finance



CHAPTER 9:

RECOMMENDATIONS AND PRIORITY INTERVENTIONS

Priority interventions target job creation, investment mobilization, and inclusivity, leveraging PSEF for structured implementation.

9.1 Policy, Institutional, Legal & Regulatory Interventions

Intervention	Target/Spatial Focus	Timeline	Responsible Entity
Digitize SBP fully (<1 week processing), integrate KRA	County-wide; focus on Burnt Forest/Kesses	Q3 2026	Dept. of Trade / KEPSA
County-wide PPD regulations, quarterly forums	Municipalities	Q2 2026 onward	Dept. of Trade / MEL Unit
Amend county bylaws to clarify mandates	County-wide	Q2 2026	County Legal Services
Regulatory reform matrix (10 reforms/year)	County-wide	Annual	MEL Unit / CEC Urban Planning
Integrate PSEF in CIDP/ADP (60% private input target)	County-wide	2027	CEC Finance / Planning Dept.

9.2 Infrastructure & Land Interventions

Intervention	Target/Spatial Focus	Timeline	Responsible Entity
Rural road upgrades (~100 km bitumen)	Ziwa, Turbo	Q4 2026–2027	CEC Infrastructure / PPP Firms
Expand utilities (electricity, water) via DFIs	Moisbridge, Kesses	2026–2027	CEC Water & Energy / Private Partners
Rezone 50 ha industrial land for EPZs	Eldoret, Burnt Forest	2026	Planning Dept. / Investors
Blended finance for municipal utilities (solar grids)	Kesses	2026–2027	CEC Infrastructure / DFIs
Integrate infrastructure priorities into PSEF roadmaps	County-wide	Ongoing	MEL Unit / Planning Dept.

9.3 Skills & Innovation Interventions

Intervention	Target/Spatial Focus	Timeline	Responsible Entity
Scale TVET/GenKazi to 2,000 youth annually	Municipalities; Turbo, Kesses	Q2 2026 onward	Dept. of Youth Affairs / Moi University
Innovation hubs & R&D grants (Sh50M)	Eldoret, Turbo	2026–2027	Innovation & Enterprise Dept.
County skills database linked to jobs	County-wide	2026	Dept. of Youth Affairs / MEL Unit
University-private sector MOUs for apprenticeships	Ziwa, Kesses	2026–2027	Moi University / Investors
Annual skills audits	County-wide	Ongoing	Capacity Building Committee



9.4 Enterprise Support & Finance Interventions

Intervention	Target/Spatial Focus	Timeline	Responsible Entity
County SME fund (Sh100M) with de-risking tools	Kesses, Moisbridge	2026	CEC Finance / SACCOs
Expand MSEA/KEPSA advisory services to 5,000 MSMEs	Municipalities	2026–2027	Dept. of Trade / Private Alliances
PPPs for business incubators	Eldoret Municipalities	2026	Innovation & Enterprise Dept. / Private Sector
Blended finance for youth/women enterprises (KES 500M)	County-wide	2026–2027	CEC Finance / Inkomoko
Integrate enterprise support in PSEF governance	County-wide	Ongoing	MEL Unit / Dept. of Trade

Impact: These interventions, when implemented under PSEF, are projected to:

- Mobilize KES 2B in private investment.
- Create ~30,000 jobs, prioritizing youth, women, and municipalities.
- Reduce regulatory friction and enhance spatially balanced economic growth.
- Increase MSME formalization and financial inclusion, driving GCP growth beyond the current 2.5% national share.



ANNEXUS

Annex 1: Implementation Matrix – PSEF Uasin Gishu County

No	Action Description	Responsible Party	Timeline	Resource Requirement
1	PSEF Adoption: County Executive Committee approval and gazettment	CEC / Public Service Management, Administration and Devolved Units	Q1 2026	Staff time; legal drafting costs Sh2M; County Attorney support
2	Stakeholder Launch & PPD Forums: Validate findings, form implementation committees	Trade, Industrialization, Tourism, Co-operatives & Enterprise Development / MEL Unit	Q2 2026	Venue hire Sh5M, facilitation, communications; KEPSA/NOREB partnerships
3	Resource Mobilization: Secure KUSP II UIG and development partner funding	Finance & Economic Planning / World Bank, Inkomoko, other partners	Q2–Q3 2026	Technical assistance Sh10M; blended finance proposals
4	MEL Setup: Establish digital dashboards, baseline surveys, KPI tracking	Finance & Economic Planning (MEL Unit)	Q1 2026	IT infrastructure Sh15M; survey tools; GIS software; ICT support from Youth Affairs, Sports, ICT & Innovation
5	SBP Digitization: Full online licensing and integration with KRA	Trade, Industrialization, Tourism, Co-operatives & Enterprise Development / KEPSA	Q3 2026	Software development Sh20M; training; ICT integration support
6	Regulatory Reform: Legal audits, reform matrix, tender transparency	Public Service Management, Administration & Devolved Units / MEL Unit	Q2 2026 onward	Consultancy fees Sh10M; stakeholder workshops; legal expertise
7	Rural Road Upgrades: Bitumen paving of 100 km feeders	Roads, Transport & Public Works / PPP Firms	Q4 2026–Q2 2027	Blended finance KES 500M; construction contracts; DFIs involvement
8	Utilities Expansion: Electricity & water in peri-urban municipalities	Water, Irrigation, Sanitation, Energy, Environment & Natural Resources / DFIs	2026–2027	Infrastructure finance KES 150M; technical support; energy partnerships
9	Industrial Land Re-zoning: 50 ha EPZ development	Lands, Physical Planning, Housing & Urban Development / Investors	2026	Master planning Sh15M; survey costs; legal fees; private sector consultations
10	TVET/GenKazi Skills Scaling: Digital & entrepreneurial training	Education, Technical Training, Gender, Social Protection & Culture / Youth Affairs, Sports, ICT & Innovation	Q2 2026 onward	Training facilities Sh30M; course materials; stipends; Moi University MOUs



11	Innovation Hubs & R&D Grants: Support MSME tech adoption	Youth Affairs, Sports, ICT & Innovation / Trade, Industrialization, Tourism, Co-operatives & Enterprise Development	2026–2027	Sh50M grants; ICT equipment; mentorship programs; Inkomoko partnerships
12	County Skills Database: Job platform integration	Youth Affairs, Sports, ICT & Innovation / MEL Unit	2026	Database development Sh10M; IT support; data management
13	SME Fund & De-risking Tools: Support youth/women enterprises	Finance & Economic Planning / Trade, Industrialization, Tourism, Co-operatives & Enterprise Development (SACCOs)	2026	Sh100M capital; technical support; fintech collaborations
14	Business Advisory Services Expansion: MSEA/KEPSA outreach	Trade, Industrialization, Tourism, Co-operatives & Enterprise Development / Private Sector Alliances	2026–2027	Staffing Sh8M; transport; training materials; MSEA/KEPSA resources
15	PPPs for Business Incubators: Eldoret + municipal extension	Trade, Industrialization, Tourism, Co-operatives & Enterprise Development / Youth Affairs, Sports, ICT & Innovation	2026	Facility costs Sh20M; mentorship programs; ICT support; PPP agreements
16	Blended Finance Mechanisms: Youth/women enterprises	Finance & Economic Planning / Inkomoko	2026–2027	KES 500M financing; credit registry integration; donor de-risking tools
17	Annual MEL Review & Learning Workshops: Track progress	Finance & Economic Planning (MEL Unit) / Capacity Building Committee	Annual	Workshop logistics Sh5M; reporting tools; facilitation
18	Annual APA Submission & Reporting: RA 4 compliance	Finance & Economic Planning / CEC	Annual	Data collection Sh5M; report production; communications; KUSP II templates

Gantt Summary (Q1 2026–Q4 2028)

Action	2026	2027	2028	Notes
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PSEF Adoption	██████			Foundational policy adoption
Stakeholder Launch		██████		PPD forums, validation
Resource Mobilization		████	████	Funding & blended finance
MEL Setup	██████			Dashboards, baseline surveys
SBP Digitization			██████	Online licensing, KRA integration
Regulatory Reform		██████████████	██████████████	Ongoing legal & institutional reforms
Rural Road Upgrades				██████████
Utilities Expansion				██████████████████
Industrial Land Rezoning			██████	EPZ & industrial land planning
TVET/ GenKazi Skills Scaling		██████████████	██████████████	Continuous upskilling
Innovation Hubs & Grants				██████████████████
County Skills Database			██████	Job platform & skills mapping
SME Fund & De-risking Tools			██████	Finance access for youth/women
Business Advisory Expansion				██████████████████
PPPs for Incubators			██████	Entrepreneurial ecosystem
Blended Finance Mechanisms				██████████████████
Annual MEL Reviews	██████████	Recurring	Recurring	Monitoring & learning



Annual APA Submissions		Recurring	Recurring	RA 4 compliance reporting
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Legend:

- = Active implementation / focused period
- = Recurring annual activity
- Overlaps indicate interdependent actions
- Continuous actions (Regulatory Reform, TVET scaling) extend across 2026–2028





**PUBLIC-PRIVATE SECTOR
NEEDS DIAGNOSTIC FOR
UASIN GISHU COUNTY
2026**

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