

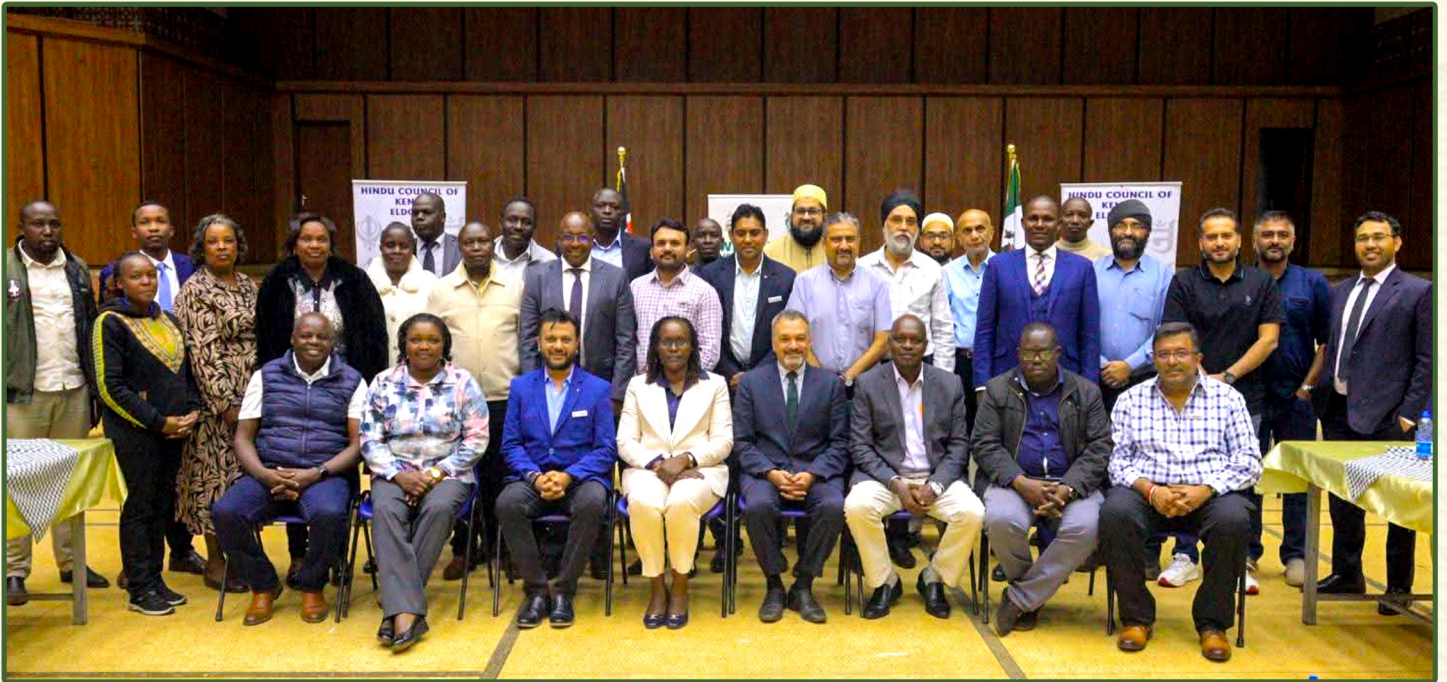


COUNTY GOVERNMENT  
OF UASIN GISHU



CITY OF ELDORET

# PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR THE ELDORET CITY URBAN BOARD, UASIN GISHU COUNTY



*Strategic private sector engagement unlocks sustainable financing,  
innovation, and resilient urban growth.*





# **PRIVATE SECTOR ENGAGEMENT FRAMEWORK 2026**

**Eldoret City Board – Uasin Gishu County**

## **FOREWORD**

The transformation of Eldoret into Kenya's fifth city marks a defining moment in the City and economic trajectory of Uasin Gishu County. Rapid population growth, expanding trade linkages along the Northern Corridor, increasing demand for infrastructure and services, and the rising expectations of residents and investors require a governance model that is collaborative, accountable, and economically intelligent.

The Private Sector Engagement Framework (PSEF) for City Board in Uasin Gishu County establishes that model.

City development today cannot be financed, designed, or delivered by the public sector alone. Infrastructure backlogs, climate resilience demands, youth unemployment pressures, and competitiveness challenges require structured collaboration with private capital, innovation, and enterprise. However, engagement must be institutionalized, transparent, and legally grounded. Ad hoc consultations are insufficient. Sustainable City growth demands predictable systems for dialogue, evidence generation, and investment alignment.

This Framework has been developed in full compliance with the City Areas and Cities Act (2011, amended 2019), the Public Finance Management Act (2012), the Public Private Partnerships Act (2021), and the Kenya City Support Programme II (KUSP II) Result Area 4 requirements . It provides the City of Eldoret and other gazetted municipalities in Uasin Gishu County with a structured mechanism to:

- Establish and maintain a comprehensive private sector database.
- Conduct annual, evidence-based private sector diagnostics.
- Institutionalize Public-Private Dialogue Forums aligned to planning and budgeting cycles.
- Integrate private sector insights into Integrated Development Plans and fiscal frameworks.
- Mobilize private capital responsibly through compliant partnership structures.

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Through this Framework, private sector engagement becomes a formal governance instrument rather than an informal interaction. It strengthens transparency, enhances fiscal discipline, improves service delivery efficiency, and supports inclusive economic growth across formal enterprises, MSMEs, and the informal sector.

The County Government of Uasin Gishu is committed to ensuring that this Framework is fully operationalized, adequately resourced, and continuously improved through monitoring and learning. Implementation will be anchored within statutory planning systems and subjected to annual performance assessments under KUSP II to guarantee accountability and results.

This PSEF positions Eldoret and our municipalities as competitive, resilient, and investment-ready City centers. It reflects our commitment to structured partnership, evidence-based decision-making, and sustainable development for the benefit of all residents.

Edward Sawe

**CECM LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT**

## **ACKNOWLEDGEMENT**

The development of this Private Sector Engagement Framework has been guided by extensive consultations, technical review, and alignment with national and county governance instruments. The County Government acknowledges the leadership of the City Development Department and the Municipal Boards for steering the process. Appreciation is extended to representatives of business associations, MSMEs, informal sector groups, financial institutions, and sector-based enterprises who provided insights on constraints, investment priorities, and engagement mechanisms.

Technical guidance and reference materials were drawn from the Kenya City Support Programme II Toolkit and Result Area 4 performance framework , as well as relevant statutory instruments governing City management, public finance, and public-private partnerships.

The collaborative contributions of planning officers, finance teams, monitoring and evaluation units, and development partners have strengthened the analytical rigor and institutional coherence of this Framework.

This document reflects a shared commitment to transforming private sector engagement into a predictable, accountable, and performance-driven pillar of City governance in Uasin Gishu County.

## **EXECUTIVE SUMMARY**

The Private Sector Engagement Framework (PSEF) for City Board in Uasin Gishu County establishes a structured, institutionalized system for collaboration between City authorities and the private sector. It has been developed in accordance with the KUSP II Result Area 4 requirements and aligns with the City Areas and Cities Act (2011, amended 2019), Public Finance Management Act (2012), and Public Private Partnerships Act (2021).

Eldoret City, formally conferred city status in August 2024, has an estimated City population of approximately 504,000 in 2026, growing at over 4 percent annually. The city hosts roughly 44,000 registered businesses, of which approximately 85 percent are micro, small, and medium enterprises. Uasin Gishu County contributes an estimated 2.5–2.6 percent to national Gross County Product, with services and agriculture forming the dominant sectors.

Rapid City expansion has intensified infrastructure demands, including roads, water supply, sanitation, waste management, housing, and digital systems. Fiscal resources alone are insufficient to close investment gaps identified under the CIDP 2023–2027. Structured engagement with the private sector is therefore essential to:

- Improve firm competitiveness.
- Mobilize co-investment in infrastructure and services.
- Strengthen regulatory responsiveness.
- Generate employment, particularly for youth aged 18–35.
- Enhance climate resilience and sustainable City systems.

This Framework operationalizes three core compliance pillars under KUSP II Result Area 4:

1. Establishment and annual updating of a private sector database.
2. Conduct of comprehensive private sector diagnostics structured around four policy levers.
3. Institutionalization of Public-Private Dialogue Forums held at least twice annually.

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The PSEF integrates private sector inputs directly into Integrated Development Plans, Annual Development Plans, Programme-Based Budgets, and PPP project pipelines. It introduces clear institutional roles, performance indicators, risk mitigation mechanisms, and sustainability targets. Implementation is phased over 2026–2030, beginning with database establishment and baseline diagnostics, followed by scaling of dialogue platforms and investment facilitation. Monitoring is aligned with Annual Performance Assessments to safeguard compliance and grant eligibility. The PSEF transforms private sector engagement from consultative dialogue into a measurable governance tool that strengthens accountability, mobilizes investment, and supports inclusive and competitive City development.

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## **INTRODUCTION**

This Private Sector Engagement Framework operationalizes structured engagement between City Board and private sector actors within Uasin Gishu County.

Cityization in Eldoret and other gazetted municipalities has accelerated in recent years due to rural- City migration, demographic growth, and the city's expanding role as a regional logistics and agro- processing hub. City authorities are increasingly required to plan, finance, and manage infrastructure systems that exceed historical capacity assumptions.

At the same time, the private sector has expanded in diversity and scale. Formal manufacturing, logistics operators, real estate developers, ICT firms, financial institutions, and thousands of MSMEs collectively shape the local economy. Informal enterprises continue to provide livelihoods for significant segments of the City population.

Despite this interdependence, engagement between City authorities and businesses has historically been informal, issue-driven, and episodic. There has been no consolidated database of enterprises, no systematic diagnostic of business constraints, and no institutionalized forum aligned with planning and budgeting cycles.

KUSP II Result Area 4 requires participating City areas to operate within a structured Private Sector Engagement Framework to promote public-private dialogue and improve the business environment . Compliance is assessed annually through defined minimum conditions and performance standards.

This PSEF provides the institutional architecture to meet those requirements while advancing broader county development objectives.

## **BACKGROUND**

Uasin Gishu County occupies a strategic position within Kenya's North Rift region and serves as the economic anchor of the North Rift Economic Bloc (NOREB). Eldoret functions as a gateway along the Northern Corridor linking the Port of Mombasa to Uganda, Rwanda, eastern Democratic Republic of Congo, and South Sudan.

The local economy is characterized by:

- High agricultural productivity in maize, wheat, dairy, and horticulture.
- Expanding agro-processing and manufacturing capacity.
- Growing logistics, warehousing, and distribution services.
- Retail, construction, education, and financial services expansion.

City growth has generated positive economic momentum but also significant challenges:

- Infrastructure deficits in roads, drainage, water, and sanitation.
- Pressure on solid waste management systems.
- Rising housing demand and informal settlement growth.
- Youth unemployment and skills mismatch.
- Exposure to climate variability affecting agricultural value chains.

Public financing alone cannot sustainably close these gaps. CIDP projections indicate substantial funding requirements that exceed county revenue capacity. Private sector participation, when properly structured, offers capital mobilization, operational efficiency, innovation, and risk-sharing opportunities.

However, effective collaboration requires institutional clarity. Without formalized systems, engagement risks being dominated by narrow interests, lacking transparency, or failing to influence actual policy and investment decisions.

The PSEF addresses these structural weaknesses by:

- Creating predictable engagement mechanisms.

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- Anchoring dialogue in evidence and diagnostics.
- Linking engagement outputs directly to statutory planning.
- Introducing monitoring, accountability, and compliance safeguards.

This background establishes the necessity of institutionalized private sector engagement as both a development imperative and a compliance requirement under KUSP II.

## **RATIONALE FOR A FRAMEWORK FOR PUBLIC–PRIVATE ENGAGEMENT FOR CITY DEVELOPMENT**

City development in Uasin Gishu County is unfolding within a context of sustained demographic growth, spatial expansion, and increasing economic complexity. Eldoret’s conferment of city status in 2024 formalized its position as a regional economic hub, but service demand, infrastructure pressures, and competitiveness expectations have expanded more rapidly than fiscal capacity.

The case for a structured Private Sector Engagement Framework is anchored in five interrelated considerations.

First, the infrastructure financing gap.

The County’s revenue envelope—comprising equitable share transfers, conditional grants, and own-source revenues—remains insufficient to fully finance the capital investments required in roads, drainage, water supply, solid waste management, housing, and digital systems. The Public Finance Management Act (2012) imposes fiscal responsibility constraints, limiting unsustainable borrowing and requiring prudent debt management.

Structured engagement with private capital, where compliant with the Public Private Partnerships Act (2021), provides an avenue for risk-sharing, co-financing, and efficiency gains while preserving fiscal discipline.

Second, the competitiveness imperative.

Eldoret competes regionally with other secondary cities for investment, logistics positioning, agro-processing expansion, and service-sector growth. Firms operating within the city face regulatory, infrastructure, land use, and skills-related constraints. Without systematic identification and resolution of these constraints, competitiveness erodes. A structured framework enables evidence-based reform prioritization rather than reactive responses.

Third, employment and inclusion.

MSMEs constitute the majority of enterprises within the City economy and are principal sources of employment, particularly for youth. Informal enterprises remain significant contributors to

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livelihoods. A formal engagement system ensures that dialogue is inclusive, structured, and aligned with constitutional principles of public participation under Articles 10 and 174 of the Constitution of Kenya (2010).

Fourth, statutory and programmatic compliance under KUSP II.

Under the Kenya City Support Programme II, Result Area 4 requires City areas to operationalize structured private sector engagement mechanisms as a condition for performance-based grant eligibility .

Specifically:

- APA 2 (2025) requires the adoption and operationalization of a Private Sector Engagement Framework as a Minimum Condition (MC8).
- APA 3 (2026) introduces Performance Standard (PS11) requirements, including:
  - An operational and annually updated private sector database.
  - A completed and publicly disclosed private sector diagnostic.
  - At least two documented Public–Private Dialogue Forum meetings annually.

Failure to institutionalize these systems risks reduced performance scoring and potential grant implications.

Fifth, governance integrity and accountability.

Unstructured engagement increases the risk of selective influence, undocumented commitments, and weak follow-through. A formalized framework introduces documented processes, defined roles, reporting obligations, and audit trails aligned with statutory requirements.

The PSEF therefore serves both developmental and compliance objectives. It institutionalizes engagement as a rule-based governance mechanism embedded within City planning, budgeting, and performance management systems.

## **CURRENT PRACTICE**

Prior to the establishment of this Framework, engagement between City Board and private sector actors in Uasin Gishu County has occurred, but without standardized institutional architecture.

Ad hoc engagement mechanisms.

Consultations have typically been convened in response to specific issues such as licensing disputes, infrastructure disruptions, or sector grievances. While constructive, these engagements have not followed standardized documentation protocols, nor have they been systematically linked to statutory planning instruments.

Fragmented enterprise data systems.

Business information has been maintained through Single Business Permit registers, trade licensing databases, and sector association records. However, there has been no consolidated City-level database capable of clustering firms by sector, size, and geographic location in a manner consistent with RA4 PS11 requirements . This has limited analytical capacity and hindered structured diagnostics.

Absence of a standardized annual diagnostic.

Although economic reports and sector analyses have periodically been prepared, there has been no mandatory annual private sector diagnostic structured around the four policy levers prescribed in the KUSP II Toolkit . As a result, constraint identification has lacked methodological consistency and comparability across assessment cycles.

Limited institutionalization of dialogue platforms.

Existing participatory structures, including the County Budget and Economic Forum, provide valuable fiscal consultation but are not dedicated Public–Private Dialogue Forums aligned specifically to City planning and investment cycles. They do not substitute for the structured PPDF required under RA4 PS11.

Weak integration into planning and budgeting instruments.

Private sector inputs have not been consistently referenced within Integrated City Development Plans, Annual Development Plans, or Programme-Based Budgets. Consequently, linkage between dialogue outcomes and funded interventions has been difficult to demonstrate during performance assessments.

These conditions reflect engagement activity without institutionalization. The PSEF addresses this structural gap by introducing predictable systems, defined compliance standards, annual diagnostic requirements, and documented dialogue processes aligned to APA 2 (2025) and APA 3 (2026) obligations under KUSP II .

## **IMPLEMENTATION OF KUSP II**

The Kenya City Support Programme II (KUSP II) is a national City development initiative designed to strengthen City institutions and improve infrastructure and service delivery in

participating counties. Under the programme's City Development Grant (UDG) framework, access to performance-based grants is contingent upon compliance with defined Minimum Conditions and Performance Standards .

Result Area 4 (RA4) specifically addresses institutional strengthening through structured private sector engagement.

### **1. RA4 Minimum Condition – APA 2 (2025)**

Under Annual Performance Assessment (APA) 2 – 2025, City areas are required to:

- Operate within a formally adopted Private Sector Engagement Framework (MC8).

Compliance requires:

- County Executive approval of the PSEF.
- Formal adoption by the City Board.

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- Demonstrable operationalization (not merely drafting).

Failure to meet MC8 at APA 2 results in ineligibility for performance-based grant disbursement for that cycle.

## 2. RA4 Performance Standard – APA 3 (2026)

Beginning with APA 3 – 2026, compliance extends beyond adoption to operational performance under Performance Standard 11 (PS11) . City areas must demonstrate:

1. An operational and annually updated private sector database that allows clustering by sector and includes geographic information.
2. A completed and publicly disclosed private sector diagnostic structured around the prescribed analytical framework.
3. A minimum of two documented Public–Private Dialogue Forum meetings annually, with minutes, attendance registers, and action plans.

Scoring under PS11 contributes to overall UDG performance ratings and influences grant allocations.

## 3. Implications for Uasin Gishu County

Implementation of KUSP II within Uasin Gishu County requires:

- Institutional embedding of the PSEF within the City Development Department.
- Budget allocation for database management, diagnostic studies, and forum facilitation.
- Establishment of record-keeping systems capable of supporting APA verification.
- Alignment of PSEF outputs with Integrated City Development Plans (IDePs) and Annual Development Plans (ADPs).

The PSEF therefore functions as both a governance reform instrument and a compliance mechanism to safeguard eligibility for City Institutional Grants (UIG) and City Development Grants (UDG).

## **DEVELOPMENT OF THE FRAMEWORK**

The development of this Private Sector Engagement Framework followed a structured, evidence-informed process to ensure legal alignment, operational feasibility, and compliance with KUSP II requirements .

### **1. Review of Statutory and Programmatic Instruments**

The process commenced with a detailed review of:

- City Areas and Cities Act (2011, amended 2019)
- Public Finance Management Act (2012)
- Public Private Partnerships Act (2021)
- County Governments Act (2012)
- KUSP II Toolkit and RA4 Performance Framework

This ensured that the Framework would align with statutory mandates governing public participation, fiscal responsibility, and partnership development.

### **2. Institutional Assessment**

An internal assessment was conducted to evaluate:

- Existing engagement mechanisms.
- Data systems relating to business registration and licensing.
- Planning and budgeting integration processes.
- Record management capacity.

- Staffing and technical expertise within the City Board.

This assessment identified gaps in database consolidation, structured diagnostics, and documented dialogue processes.

### 3. Stakeholder Consultations

Consultations were undertaken with:

- Business associations.
- MSME representatives.
- Informal sector groups.
- Financial institutions.
- Relevant County departments (City, Trade, Planning, Finance, ICT).
- City Board members.

These engagements informed the identification of priority constraints and institutional design features for the PSEF.

### 4. Alignment to KUSP II Template

The Framework was structured strictly in accordance with the County-Specific PSEF outline prescribed under KUSP II . Each mandatory component—database, diagnostic, and Public–Private Dialogue Forum—was incorporated in compliance with RA4 MC8 and PS11 requirements.

### 5. Validation and Approval Process

The draft Framework was:

- Reviewed by the City Development Department.
- Presented to the City Board for technical validation.
- Submitted to the County Executive Committee for formal adoption.

- Prepared for operationalization ahead of APA 2 (2025) and full performance compliance under APA 3 (2026).

## **LEGAL BASIS AND ALIGNMENT TO EXISTING COUNTY FRAMEWORKS AND PROCESSES**

This Private Sector Engagement Framework is anchored in the constitutional, statutory, fiscal, and policy architecture governing City management in Kenya. It does not create parallel systems. It operationalizes existing mandates in a structured and performance-measured manner.

### **1. Constitutional Foundation**

The Constitution of Kenya (2010) establishes:

- Article 10 – National values including transparency, accountability, and public participation.
- Article 174(c) & (d) – Devolution objectives to enhance self-governance and promote social and economic development.
- Article 184 – Legislative basis for City governance.
- Article 227 – Principles of public procurement and asset disposal.

Private sector engagement under this Framework is therefore not discretionary consultation; it is an operational expression of constitutional governance principles.

### **2. City Areas and Cities Act (2011, amended 2019)**

The City Areas and Cities Act (UACA) provides the statutory basis for:

- Establishment and functions of City and Municipal Boards.
- Promotion of citizen participation in City governance.

- Integrated City planning and service delivery.
- Institutional accountability mechanisms.

Sectional provisions requiring public participation in planning processes are operationalized through the Public–Private Dialogue Forum (PPDF) under this Framework. The PSEF institutionalizes structured engagement specifically with economic actors, complementing broader citizen participation processes under UACA.

### 3. Public Finance Management Act (2012)

The PFM Act establishes:

- Fiscal responsibility principles.
- Budget preparation procedures.
- Reporting and accountability requirements.
- Management of public resources.

Private sector engagement under this Framework must operate within the constraints of:

- Approved budget ceilings.
- Medium-Term Expenditure Framework (MTEF) allocations.
- Transparent resource utilization.

Where engagement results in proposed investments or PPP initiatives, such proposals shall undergo fiscal risk assessment and budgetary integration in accordance with PFM requirements.

### 4. Public Private Partnerships Act (2021)

The PPP Act provides the legal framework for structured collaboration between public entities and private investors for infrastructure and service delivery.

This Framework does not substitute the PPP Act. Rather, it:

- Identifies potential projects through dialogue and diagnostics.
- Provides an early-stage screening mechanism.
- Ensures that any resulting PPP initiative proceeds strictly through statutory feasibility, approval, and procurement processes defined under the Act.

## 5. County Governments Act (2012)

The County Governments Act mandates:

- Public participation in planning and budgeting.
- Establishment of participatory governance structures.
- Transparent decision-making processes.

The PSEF strengthens compliance by introducing structured documentation, tracking, and integration mechanisms specific to economic stakeholders.

## 6. Alignment with County Planning Instruments

The PSEF is aligned with the following instruments:

- County Integrated Development Plan (CIDP) 2023–2027.
- Integrated City Development Plans (IDePs).
- Annual Development Plans (ADPs).
- Programme-Based Budgets (PBB).
- County Fiscal Strategy Paper (CFSP).

Outputs from diagnostics and dialogue forums shall be formally transmitted to planning units for incorporation into these instruments. The linkage ensures that engagement influences actual policy and resource allocation decisions rather than remaining consultative.

## 7. Alignment with KUSP II Result Area 4

The Framework is structured to meet compliance requirements under the Kenya City Support Programme II :

- APA 2 (2025) – Adoption and operationalization of a PSEF (MC8).
- APA 3 (2026) – Demonstrable performance under PS11:
  - Operational database.
  - Completed and disclosed diagnostic.
  - Minimum two PPDF meetings annually.

Institutional arrangements, documentation protocols, and reporting systems defined in this Framework are designed to withstand Annual Performance Assessment verification.

## **OBJECTIVE OF THE FRAMEWORK**

The overarching objective of this Private Sector Engagement Framework is to institutionalize predictable, transparent, and results-oriented engagement between City Board and private sector actors in Uasin Gishu County.

This overarching objective is operationalized through the following specific objectives:

1. Institutionalization of Engagement  
Establish formal structures, procedures, and documentation systems for public–private interaction within City governance.
2. Evidence-Based Policy Reform  
Generate annual, structured diagnostics that identify binding constraints to business growth and City competitiveness.

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3. Integration into Statutory Planning

Ensure that private sector inputs directly inform IDePs, ADPs, and budget allocations.

4. Investment Mobilization

Identify, screen, and prioritize investment opportunities suitable for private participation within legally compliant frameworks.

5. Inclusivity and Representation

Provide structured participation channels for MSMEs, women-owned enterprises, youth enterprises, and informal sector actors.

6. Performance and Accountability

Establish measurable indicators, reporting obligations, and compliance mechanisms aligned to APA 2 (2025) and APA 3 (2026) requirements .

The Framework therefore serves as both a governance reform instrument and a performance compliance mechanism.

## **APPROACH TO THE PSE FRAMEWORK**

This Private Sector Engagement Framework adopts a structured, cyclical, and evidence-driven approach. Engagement is not treated as an event but as a governance process embedded within planning, budgeting, and performance management systems.

The approach rests on five operational pillars.

### **1. Institutionalization Rather Than Event-Based Engagement**

Engagement is anchored within formal structures of the City Board. Roles are defined, reporting lines established, and responsibilities assigned. The City Manager serves as Secretariat for implementation, ensuring continuity beyond political or administrative transitions.

The PSEF is embedded in official work plans, budget allocations, and departmental mandates. This ensures that engagement is not dependent on individual initiative but becomes part of institutional practice.

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## 2. Data-Driven Decision-Making

The Framework introduces a consolidated private sector database and an annual diagnostic process structured around the four policy levers prescribed under KUSP II .

Policy dialogue is therefore grounded in:

- Sector-level enterprise data.
- Spatial distribution analysis.
- Constraint ranking based on survey evidence.
- Comparative benchmarking across assessment cycles.

This shifts engagement from anecdotal grievance management to structured economic analysis.

## 3. Cyclical Engagement Linked to Planning Calendar

Engagement follows a defined annual cycle aligned with statutory planning processes:

1. Database update and validation.
2. Diagnostic study and constraint prioritization.
3. Public–Private Dialogue Forum deliberation.
4. Transmission of agreed priorities to planning and finance units.
5. Integration into ADP and budget proposals.
6. Monitoring and reporting.

This cyclical approach ensures that dialogue outcomes influence resource allocation decisions in real time rather than retrospectively.

#### 4. Transparency and Documentation

Each engagement activity generates documented outputs:

- Attendance registers.
- Minutes of deliberations.
- Agreed action matrices.
- Status tracking reports.

Records are retained for APA verification under:

- APA 2 (2025) – confirmation of operational PSEF.
- APA 3 (2026) – verification of database, diagnostic, and PPDF performance .

Documentation strengthens accountability and institutional memory.

#### 5. Progressive Scaling and Learning

Implementation is phased:

- Initial compliance and system establishment (2025).
- Full operational performance under PS11 (2026 onward).
- Continuous refinement based on monitoring and evaluation findings.

Lessons from each diagnostic cycle inform subsequent engagement strategies and reform priorities.

### **PRINCIPLES OF THE PSEF**

Implementation of this Framework is guided by the following principles:

## 1. Legality

All engagement activities operate within constitutional and statutory frameworks governing public participation, fiscal management, procurement, and partnerships.

## 2. Transparency

Processes, criteria, and decisions arising from engagement shall be documented and accessible. Agreed actions shall be publicly communicated to prevent ambiguity or selective interpretation.

## 3. Inclusivity

Representation shall extend beyond large formal enterprises to include:

- MSMEs.
- Informal sector representatives.
- Women-led enterprises.
- Youth entrepreneurs.
- Sector-based associations.

Membership composition shall observe constitutional gender requirements.

## 4. Evidence and Objectivity

Policy discussions shall be anchored in structured diagnostics, data analysis, and clearly defined constraint ranking methodologies. This reduces the influence of unsubstantiated claims and prioritizes interventions with measurable impact.

## 5. Fiscal Prudence

Any investment or reform proposal emerging from dialogue shall be assessed against:

- Budget ceilings.
- Debt sustainability considerations.
- Fiscal risk exposure.
- Value-for-money principles.

## 6. Accountability

Defined roles, reporting obligations, and performance indicators ensure that commitments made through dialogue are tracked and evaluated. Annual reporting aligns with KUSP II performance assessments .

## 7. Sustainability

The Framework is designed to operate within existing institutional structures and budget processes to ensure continuity beyond grant cycles or external funding.

## **KEY ACTORS AND ROLES**

Effective implementation of the Private Sector Engagement Framework requires clearly defined institutional responsibilities. Ambiguity in roles weakens accountability and undermines compliance under APA 2 (2025) and APA 3 (2026) .

The following matrix defines governance, operational, and oversight responsibilities.

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**1. Institutional Roles Matrix**

Actor	Legal/Institutional Basis	Core Responsibilities under PSEF	Reporting Line
County Executive Committee (CEC)	County Governments Act	Formal adoption of PSEF; policy oversight; budget approval; inter-departmental coordination	County Assembly
CECM – City Development	Executive authority	Strategic oversight; ensure compliance with RA4; resource mobilization; performance reporting	Governor
City Development Department	Departmental mandate	Technical supervision; database integration; diagnostic commissioning; APA preparation	CECM
City Board (City/Municipal)	City Areas and Cities Act	Adopt and operationalize PSEF; convene PPDF; monitor implementation	CECM / County Executive
City Manager	UACA	Secretariat head; database management; documentation; diagnostic execution; reporting	City Board

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County Treasury	PFM Act	Budget integration; fiscal risk review; PPP screening	CECM Finance
Trade & Enterprise Department	Sector mandate	MSME mobilization; sector data validation; business reforms	CECM Trade
ICT Department	Administrative mandate	Database infrastructure; cybersecurity; data protection compliance	CECM ICT
Private Sector Associations	Voluntary bodies	Representation; validation of sector issues; participation in forums	PPDF Secretariat
Financial Institutions	Regulated entities	Investment dialogue; credit access discussions; PPP participation	PPDF
Development Partners	Cooperative agreements	Technical support; co-financing advisory; capacity building	County Government

**2. Operational Responsibility Matrix (RA4 Compliance Focus)**

Function	Lead Entity	Supporting Entity	Output	APA Relevance
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PSEF Adoption	CECM City	City Board	Approved resolution	APA 2 (2025) MC8
Database Establishment	City Manager	ICT & Trade	Operational database	APA 3 (2026) PS11
Annual Database Update	City Manager	SBP Unit	Updated, clustered dataset	APA 3
Diagnostic Study	City Development Dept	External Consultant (if required)	Published diagnostic report	APA 3
Public Disclosure	City Manager	Communications Unit	Website publication evidence	APA 3
PPDF Meetings (≥2/year)	City Board	Secretariat	Minutes + action plans	APA 3
Integration into ADP & Budget	Planning & Treasury	City Manager	Reflected priorities	Performance verification

### 3. Accountability and Escalation Structure

- The City Manager submits quarterly PSEF implementation briefs to the City Board.
- The City Board submits semi-annual summaries to the CECM – City Development.

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- The City Development Department consolidates compliance documentation for Annual Performance Assessment.
- Non-implementation or non-compliance triggers corrective action through the County Executive.

This layered reporting structure ensures traceability and institutional continuity.

**BENEFITS OF ADOPTING THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK**

Adoption of the PSEF produces measurable institutional, economic, fiscal, and governance benefits.

**1. Institutional Benefits**

Dimension	Current Condition	Post-PSEF Condition
Engagement structure	Ad hoc consultations	Institutionalized PPDF
Data availability	Fragmented records	Consolidated enterprise database
Documentation	Inconsistent	Standardized and archived
APA readiness	Reactive	Structured compliance

## 2. Economic and Competitiveness Benefits

Area	Expected Improvement
Regulatory environment	Faster identification of bottlenecks
Infrastructure prioritization	Evidence-based sequencing
Investment climate	Increased investor confidence
MSME participation	Structured representation
Job creation	Improved business growth conditions

Structured diagnostics enable ranking of constraints and prioritization of reforms with highest productivity impact.

## 3. Fiscal and Investment Benefits

Benefit	Mechanism
Enhanced resource allocation	Alignment of private sector priorities with ADP
Improved PPP pipeline quality	Early-stage screening via dialogue
Reduced fiscal risk	Structured evaluation before commitments
Grant protection	Compliance with RA4 requirements

Meeting APA 2 (2025) and APA 3 (2026) requirements safeguards access to City Institutional Grants and City Development Grants.

## 4. Governance and Transparency Benefits

Governance Risk      Mitigation through PSEF

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Governance Risk	Mitigation through
PSEF Elite capture	Structured membership rules
Selective influence	Documented minutes and action plans Policy inconsistency
	Integration into planning cycle
Weak follow-through	Monitoring matrix and status tracking

## 5. Strategic City Positioning

Institutionalized engagement strengthens Eldoret’s positioning as:

- A predictable investment destination.
- A regionally competitive logistics hub.
- A structured partner for private capital.
- A compliant participant under national City reform programs.

## 1. PRIVATE SECTOR DATABASE FOR CITY BOARD

### 1.1 Purpose and Strategic Rationale

The Private Sector Database is the foundational instrument of this Private Sector Engagement Framework. It establishes a consolidated, verified, and geo-referenced registry of enterprises operating within Eldoret City and other gazetted municipalities of Uasin Gishu County.

The database serves five core functions:

1. Provides the empirical foundation for annual private sector diagnostics.
2. Enables sector clustering and spatial economic analysis.
3. Supports structured representation in Public–Private Dialogue Forums.

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4. Enhances planning accuracy within IDePs, ADPs, and budgeting processes.

5. Ensures compliance with RA4 Performance Standard 11 under APA 3 (2026) .

The database transforms fragmented administrative records into a strategic economic governance tool.

## 1.2 Legal and Administrative Basis

The database is established within existing statutory and administrative frameworks. It does not create parallel registration systems; it consolidates and structures legally recognized enterprise data.

### A. Statutory Administrative

Sources The database shall

draw from:

- Single Business Permit (SBP) system.
- Trade licensing registers.
- Planning and development approval records.
- Commercial property and rates registers.
- Environmental compliance registers (where applicable).

These sources provide the official baseline of licensed enterprises.

### B. Recognized Business and Umbrella Associations

To ensure sector completeness and validation, structured data shall be reconciled with verified membership registers from recognized associations operating within the City area, including:

- Kenya National Chamber of Commerce and Industry (KNCCI) – Uasin Gishu Chapter.
- Kenya Association of Manufacturers (KAM).
- Kenya Private Sector Alliance (KEPSA).

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- Federation of Kenya Employers (FKE).
- Micro and Small Enterprises Associations.
- Jua Kali Associations and informal sector federations.
- Market Traders Associations.
- Transport and Logistics Associations.
- Real Estate Developers Associations.
- ICT and Digital Enterprises Associations.
- Agricultural and Agro-Processing Associations.

These bodies function as validation and clustering partners rather than parallel registrars.

#### C. Civil Society and Professional Bodies

Consistent with participatory governance under the City Areas and Cities Act, data triangulation may involve:

- Civil society organizations engaged in enterprise development.
- Professional associations (Architects, Engineers, Planners, Surveyors).
- Academic and TVET institutions supporting enterprise ecosystems.

#### D. Voluntary Enterprise Inclusion Mechanism

To address underrepresentation of informal enterprises, the City Board shall establish a simplified voluntary registration window enabling:

- Informal enterprises.
- Home-based businesses.
- Youth-led and women-led enterprises not yet licensed.

This mechanism enhances economic visibility while remaining compliant with licensing laws.

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**E. Data Protection and  
Governance**

All database operations shall comply with:

- Data Protection Act (2019).
  - Public Finance Management Act documentation standards.
  - KUSP II RA4 compliance requirements .

Access shall be role-based. Public access shall be limited to non-sensitive aggregated data.

**1.3 Database Architecture and Data Fields**

The database shall be structured to allow clustering by sector, size, and geography.

**A. Enterprise Identification**

Field	Description
Business Name	Official registered name
Registration Number	Legal registration reference
SBP Number	Licensing identifier
Ownership Type	Sole, Partnership, Limited Company

**B. Sector and Activity Classification**

Field	Description
KeSIC Code	Standardized economic classification
Primary	Business description

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Activity	
Sector Cluster	Manufacturing, Agro-processing, Logistics, ICT, Retail, Construction, Services

**C. Spatial Information**

Field	Description
Sub-County	Administrative unit
Ward	Electoral/planning unit
Physical Address	Plot or street location
GIS Coordinates	Latitude/Longitude

Geo-referencing supports infrastructure gap mapping and economic zoning analysis.

**D. Enterprise Scale and Employment**

Field	Description
Years in Operation	Stability measure
Number of Employees	Employment contribution
MSME Classification	Micro, Small, Medium, Large
Turnover Band	Revenue range (banded)

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E. Engagement and Representation

Field	Description
Association Membership	Sector representation
PPDF Participation	Engagement tracking
Sector Working Group	Dialogue clustering

1.4 Operational Management Cycle

The database shall operate on an annual validation and update cycle.

Annual Process Flow

1. SBP renewal reconciliation.
2. Data cleaning and deduplication.
3. Sector coding verification.
4. GIS update and spatial mapping.
5. Generation of sector dashboards.
6. Archival of previous-year dataset for comparison.
7. APA documentation preparation.

1.5 Governance and Responsibility Matrix

Function	Lead Unit	Supporting Unit	Output
Data Capture	Trade Licensing	ICT	Updated entries
Sector Coding	City Development	Associations	Clustered dataset
GIS Mapping	Planning Department	ICT	Spatial analysis

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Data Audit	Internal Audit Unit	City Manager	Validation report
APA Evidence	City Manager	City Development	Exported dataset

1.6 Compliance Requirements (APA 3 – 2026) To meet RA4 PS11 , the database must:

- Be operational and verifiable.
- Allow sector clustering.
- Include geo-location data.
- Be updated annually.
- Be exportable during Annual Performance Assessment.

Evidence for APA shall include:

- System screenshot or printout.
- Sector clustering output.
- Update certification memo.
- GIS visualization sample.

1.7 Risk Management Framework

Risk	Impact	Mitigation
Incomplete SBP renewal	Data gaps	Cross-validation with associations
Sector misclassification	Diagnostic distortion	Standardized KeSIC coding
Data duplication	Inaccurate counts	Unique identifier validation
Informal sector exclusion	Representation bias	Voluntary simplified registration

Data breach	Legal liability	Role-based access and encryption
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### 1.8 Strategic Outputs and Analytical

Use The database shall generate:

- Sector distribution reports.
- Employment concentration analysis.
- Spatial economic heat maps.
- MSME density metrics.
- Growth trend comparisons across years.

These outputs feed directly into the annual Private Sector Diagnostic and PPDF deliberations.

## **2. PRIVATE SECTOR DIAGNOSTIC**

### 2.1 Purpose and Strategic Role

The Private Sector Diagnostic is the analytical engine of the Private Sector Engagement Framework. It is conducted annually to generate structured, evidence-based insights into the performance, constraints, and opportunities of enterprises operating within Eldoret City and other gazetted municipalities of Uasin Gishu County.

Its purpose is to:

1. Identify binding constraints affecting enterprise growth and competitiveness.
2. Rank constraints by severity and economic impact.
3. Generate prioritized reform recommendations.
4. Inform Integrated Development Plans (IDePs), Annual Development Plans (ADPs), and budget allocation decisions.

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5. Fulfill RA4 Performance Standard 11 requirements under APA 3 (2026), including completion and public disclosure .

The diagnostic moves engagement from opinion-driven dialogue to structured economic assessment.

## 2.2 Analytical Framework – Four Policy Levers

In compliance with the KUSP II Toolkit structure , the diagnostic shall be organized under four mandatory policy levers.

### Lever 1: Institutions and Regulations

This lever examines the regulatory and administrative environment affecting business operations.

Assessment Area	Indicators
Licensing efficiency	Processing time; procedural steps; cost transparency
Fees and levies	Predictability; competitiveness relative to peer cities
Development approvals	Timelines; compliance burden
Enforcement consistency	Fairness; dispute resolution mechanisms
Public service responsiveness	Complaint handling turnaround

Objective: Identify regulatory bottlenecks and reform priorities.

### Lever 2: Infrastructure and Land

This lever assesses physical and spatial constraints affecting enterprise productivity.

Assessment Area	Indicators
Road access	Connectivity to markets and industrial zones

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Water reliability	Service continuity; production disruptions
Waste management	Industrial waste handling adequacy
Power supply	Reliability and backup costs
Land availability	Zoned industrial/commercial land supply
Digital infrastructure	Broadband access and coverage

Objective: Align infrastructure investments with economic concentration patterns.

Lever 3: Skills and Innovation

This lever evaluates human capital and productivity drivers.

Assessment Area	Indicators
Skills mismatch	Sector-specific labor shortages
TVET alignment	Curriculum relevance
Workforce training	Access to upskilling programs
Innovation ecosystem	Incubators; research partnerships
Technology adoption	Digital systems uptake

Objective: Identify workforce development and innovation support gaps.

Lever 4: Enterprise Support and Finance

This lever examines financial and institutional support systems.

Assessment Area	Indicators
Access to credit	Loan approval rates; collateral constraints
Cost of capital	Interest rate bands

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Business advisory services	Availability and utilization
Market access	Linkages to supply chains
Investment facilitation	Clarity of PPP pipeline

Objective: Strengthen enterprise sustainability and investment readiness.

### 2.3 Methodological Framework

The diagnostic shall follow a structured methodology to ensure comparability across years.

#### Step 1: Sampling Framework

The private sector database shall serve as the sampling frame, stratified by:

- Sector cluster.
- Enterprise size (Micro, Small, Medium, Large).
- Geographic location (Ward/Sub-County).

#### Step 2: Data Collection Tools

Tool	Purpose
Structured enterprise survey	Quantitative constraint scoring
Focus group discussions	Sector-specific qualitative insights
Key informant interviews	Institutional validation
Secondary data review	Economic trend analysis

#### Step 3: Constraint Ranking

Constraints shall be ranked using weighted scoring based on:

- Frequency of reporting.

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- Economic severity.
- Employment impact.
- Feasibility of reform.

**Step 4: SWOT Analysis**

A structured SWOT matrix shall be produced annually.

Strengths	Weaknesses
Strategic location	Infrastructure gaps
Agro-processing base	Regulatory delays

Opportunities

Threats

Regional trade expansion Climate variability

Digital economy growth Fiscal constraints

**2.4 Diagnostic Output**

Structure Each annual report

shall include:

1. Executive Summary.
2. Economic Profile of the City Area.
3. Four-Lever Analytical Findings.
4. Sector-Specific Insights.

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5. Ranked Constraint Matrix.
6. Prioritized Reform and Investment Recommendations.
7. Monitoring Indicators.
8. Annexed Survey Instruments and Data Tables.

### 2.5 Integration into Planning and Budgeting

Diagnostic findings shall be formally

transmitted to:

- IDeP preparation team.
- ADP drafting unit.
- County Treasury during CFSP preparation.

Transmission shall be documented to demonstrate integration during APA 3 verification .

### 2.6 Public Disclosure Requirements

To meet RA4 PS11 compliance under APA 3 (2026) :

- The diagnostic report shall be published on the County or City Board website.
- A summary shall be presented during a PPDF session.
- Evidence of publication shall be retained for Annual Performance Assessment.

### 2.7 Diagnostic Governance Matrix

Function	Responsible Unit	Frequency	Output
Survey design	City Development Dept	Annual	Survey instrument
Data collection	Consultant / Internal Team	Annual	Raw dataset
Analysis	City Planning Unit	Annual	Analytical report

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Validation	PPDF	Annual	Endorsed findings
Publication	Communications Unit	Annual	Website upload
APA evidence filing	City Manager	Annual	Compliance dossier

**2.8 Risk Mitigation**

Risk	Mitigation
Low survey response	Association mobilization
Data bias	Stratified sampling
Political influence	Transparent scoring criteria
Non-integration into plans	Formal transmission memo
APA non-compliance	Pre-assessment internal audit

**3. PUBLIC-PRIVATE DIALOGUE FORUMS (PPDF) FOR CITY PLANNING AND DEVELOPMENT**

**3.1 Purpose and Institutional Position**

The Public-Private Dialogue Forum (PPDF) is the structured engagement platform through which City Board and private sector actors deliberate on economic constraints, investment priorities, regulatory reforms, and infrastructure planning.

The PPDF operationalizes structured economic participation within the City governance framework and fulfills the dialogue requirement under RA4 Performance Standard 11 for APA 3 (2026) .

It complements but does not replace:

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- Citizen Fora under the City Areas and Cities Act.
- County Budget and Economic Forum (CBEF).
- Sector Working Groups under the MTEF process.

Its mandate is specifically economic and investment-focused.

### 3.2 Legal and Governance Basis

The PPDF is established by resolution of the City Board pursuant to:

- City Areas and Cities Act (participatory governance provisions).
- County Governments Act (public participation).
- KUSP II RA4 compliance requirements .

It operates as a formal sub-structure within the City Board governance system.

### 3.3 Composition and Representation

Membership shall reflect structured economic representation and inclusivity.

#### A. Core Business and Umbrella Associations

- Kenya National Chamber of Commerce and Industry (KNCCI) – Uasin Gishu Chapter.
- Kenya Association of Manufacturers (KAM).
- Kenya Private Sector Alliance (KEPSA).
- Federation of Kenya Employers (FKE).
- Micro and Small Enterprises Associations.
- Jua Kali Associations.
- Market Traders Associations.
- Transport and Logistics Associations.

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- Real Estate Developers Associations.
- ICT and Digital Economy Associations.
- Agro-processing and Agricultural Value Chain Associations.

B. Financial Sector  
Representation

- Commercial banks.
- Microfinance institutions.
- SACCO federations.
- Development finance institutions (observer status).

C. Civil Society and Professional  
Bodies

- Civil society organizations engaged in enterprise development.
- Professional associations (Architects, Engineers, Planners, Surveyors).
- Academic and TVET institutions.

D. Government Representation

- City Board Members.
- City Manager (Secretariat).
- County Treasury Representative.
- Trade and Enterprise Department.
- City Planning Department.
- ICT Department.
- Environment and Climate Unit.

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Gender representation shall comply with the two-thirds rule. Youth and women enterprise associations shall be formally included.

**3.4 Governance Structure**

Position	Responsibility
Chair (City Board Member)	Convene meetings; approve agenda; ensure linkage to Board decisions
Co-Chair (Private Sector Representative – e.g., KNCCI)	Represent private sector consensus
Secretariat (City Manager)	Documentation; action tracking; APA compliance
Technical Working Groups	Sector-specific analysis and follow-up

**3.5 Meeting Frequency and Calendar**

Alignment Minimum compliance

requirement:

- At least two PPDF meetings annually under APA 3 (2026) .

Recommended annual cycle:

Quarter	Activity
Q1	Presentation and validation of Private Sector Diagnostic
Q2	Reform prioritization and ADP input
Q3	Budget integration review
Q4	Implementation status review

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Additional sector-specific working group meetings may be convened as required.

### 3.6 Meeting Documentation and APA

Evidence Each PPDF meeting shall

produce:

Document	Purpose	APA Relevance
Attendance Register (signed)	Participation verification	PS11
Minutes (approved and signed)	Record of deliberations	PS11
Action Plan Matrix	Reform tracking	PS11
Follow-up Status Report	Accountability	Performance review

All documents shall be archived digitally and physically for Annual Performance Assessment.

### 3.7 Action Plan Tracking Framework

Issue	Responsible Unit	Timeline	Status	Evidence
Streamlining licensing process	Trade Department	6 months	In Progress	Revised SOP
Industrial access road upgrade	Planning Dept	ADP cycle	Budgeted	ADP reference
MSME credit facilitation dialogue	Treasury & Banks	12 months	Initiated	Meeting minutes

The action matrix shall be reviewed at each subsequent PPDF meeting.

### 3.8 Escalation and Resolution Mechanism

- Issues unresolved within one cycle are escalated to the City Board.

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- Policy-level issues are transmitted to the CECM – City Development.
- Budgetary matters are referred to County Treasury for CFSP integration.

This ensures continuity between dialogue and decision-making.

**3.9 Risk Management within PPDF**

Risk	Mitigation
Elite capture	Structured representation quotas
Low attendance	Advance notice and association mobilization
Issue politicization	Data-based deliberation anchored in diagnostic
Non-implementation	Formal tracking matrix

**3.10 Compliance Summary (APA 3 – 2026)**

To meet PS11 requirements , the City Board must demonstrate:

- Minimum two documented PPDF meetings annually.
- Verified attendance registers.
- Approved minutes.
- Action plan documentation.
- Evidence of follow-up.

## **4. CAPACITY BUILDING AND OUTREACH**

### **4.1 Purpose**

Capacity building ensures that the Private Sector Engagement Framework operates effectively, consistently, and in compliance with statutory and KUSP II requirements .

Institutional systems are only as strong as the technical capacity supporting them. This component strengthens both public sector and private sector actors to engage constructively and productively.

### **4.2 Capacity Gaps Identified**

Preliminary institutional assessment indicates gaps in:

- Database management and sector coding.
- Diagnostic research and analytical capacity.
- PPP screening and fiscal risk assessment.
- Structured facilitation of dialogue forums.
- Monitoring and APA documentation.

On the private sector side:

- Limited understanding of planning and budgeting cycles.
- Inconsistent representation from MSMEs and informal actors.
- Weak reform tracking mechanisms.

### **4.3 Target Groups for Capacity Building**

Target Group	Capacity Focus
City Board Members	Governance oversight; RA4 compliance; reform tracking

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City Manager & Secretariat	Database systems; documentation; APA evidence
City Planning Staff	Diagnostic integration into IDePs
County Treasury	Fiscal risk review; PPP screening
Trade Department	MSME mobilization; licensing reform
ICT Department	Database architecture; cybersecurity
Business Associations (KNCCI, MSMEs, Jua Kali)	Structured participation; evidence submission
Civil Society & Professional Bodies	Constructive engagement and monitoring

#### 4.4 Training Modules

##### A. Technical Modules

Module	Objective
Private Sector Database Management	Sector coding, GIS integration, validation
Diagnostic Methodology	Survey design, constraint ranking
PPP Fundamentals	Screening, fiscal exposure, risk allocation
Monitoring & APA Documentation	Evidence preparation for APA 2 (2025) and APA 3 (2026)

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**B. Governance and Facilitation Modules**

Module	Objective
Structured Dialogue Facilitation	Managing PPDF deliberations
Conflict Management	Handling divergent interests
Reform Tracking Systems	Action plan monitoring
Gender and Inclusion	Ensuring representation compliance

**4.5 Annual Capacity Plan**

Year	Focus Area
2025	PSEF operationalization; database setup; APA 2 compliance
2026	Diagnostic strengthening; PPDF institutionalization; APA 3 compliance
2027–2028	PPP pipeline screening; advanced analytics
2029 onward	System refinement and sustainability

**4.6 Outreach Strategy**

Outreach ensures inclusive participation and broad economic representation.

**Outreach Mechanisms**

- Sector-based stakeholder meetings.
- Collaboration with KNCCI and umbrella bodies.
- Targeted engagement with MSMEs and informal enterprises.
- Youth and women enterprise forums.
- Digital registration drives.

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4.7 Monitoring of Capacity Outcomes

Indicator	Measurement
Staff trained	Number and category
Database accuracy improvement	Error reduction rate
PPDF attendance diversity	Representation coverage
Reform implementation rate	Percentage of actions completed

**5. COMMUNICATION AND FEEDBACK CHANNELS**

5.1 Objective

Effective communication ensures transparency, inclusivity, and compliance with disclosure requirements under RA4 PS11 .

5.2 Communication Platforms

Platform	Purpose
County Website	Diagnostic publication; meeting summaries
City Board Notice Boards	Public notices
Digital Registration Portal	Enterprise data updates
SMS/Email Alerts	Meeting notifications
Social Media Platforms	Broad outreach

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5.3 Feedback Mechanisms

Channel	Function
Online feedback form	Enterprise submissions
Physical submission desk	Walk-in grievances
PPDF sessions	Structured issue raising
Sector working groups	Cluster-specific feedback

5.4 Disclosure Compliance (APA 3 –

2026) To meet PS11 disclosure

requirements :

- Diagnostic reports shall be publicly accessible.
- PPDF meeting summaries shall be published.
- Reform status updates shall be periodically communicated.

Evidence of publication shall be archived for Annual Performance Assessment.

**6. INSTITUTIONAL ARRANGEMENTS AND RESOURCE  
FRAMEWORK**

6.1 Institutional Structure

The PSEF is embedded within the City Governance structure as follows:

Level	Responsibility
County Executive	Policy approval; resource allocation
CECM City Development	Strategic oversight
City Board	Operational governance

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City Manager	Secretariat and implementation
County Treasury	Budget integration
ICT Department	Database infrastructure

## 6.2 Resource Requirements

### A. Financial Resources

Cost Category	Funding Source
Database system development	UIG / County Budget
Diagnostic study	County Budget / UIG
PPDF facilitation	County Budget
Capacity building	County Budget / Partner support

### B. Human Resources

- City Manager (Secretariat Lead).
- Data Officer (Database Management).
- Planning Analyst (Diagnostic Integration).
- Administrative Support Staff.

## 6.3 Budget Integration

PSEF costs shall be integrated into:

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- Annual Development Plans.
- Programme-Based Budgets.
- Medium-Term Expenditure Framework.

6.4 Sustainability Plan

Dimension	Strategy
Financial	Gradual transition to full county funding
Institutional	Embedding in departmental mandates
Technical	Continuous staff training
Compliance	Annual internal audit prior to APA

**ENABLERS FOR EFFECTIVE AND SUSTAINED PRIVATE SECTOR  
ENGAGEMENT**

Effective implementation of this Private Sector Engagement Framework depends on a set of institutional, fiscal, political, and technical enablers. Without these conditions, even well-designed systems risk becoming procedural rather than transformative.

**1. Political Commitment and Executive Oversight**

Sustained support from the County Executive and City Board is essential. Private sector engagement must be treated as a governance priority rather than a compliance exercise. Executive endorsement strengthens credibility among investors and signals predictability in policy direction.

## 2. Institutional Clarity

Defined roles for the City Board, City Manager, Planning Unit, Trade Department, Treasury, and ICT function reduce duplication and accountability gaps. The Framework must remain embedded within existing departmental mandates to avoid parallel systems.

## 3. Budgetary Provision

Dedicated annual allocations are required for:

- Database maintenance and system upgrades.
- Diagnostic studies.
- PPDF facilitation and documentation.
- Capacity building.

Where resources are not budgeted, implementation becomes irregular and risks non-compliance under APA 3 (2026).

## 4. Data Integrity and Digital Systems

Reliable enterprise data and secure digital infrastructure are foundational. The ability to cluster firms by sector and geography, and to export verifiable datasets for Annual Performance Assessment, is central to compliance.

## 5. Private Sector Trust and Participation

Engagement must produce visible outcomes. When businesses observe that issues raised are tracked and resolved, participation becomes sustained rather than episodic.

## 6. Alignment with Planning and Budget Cycles

Dialogue must precede ADP and budget formulation timelines. Misalignment renders engagement symbolic rather than impactful.

## **CHALLENGES, RISKS AND MITIGATION STRATEGIES**

Structured engagement introduces both governance opportunities and risks. Anticipating these risks strengthens institutional resilience.

### **1. Elite Capture**

There is risk that larger firms dominate dialogue platforms, marginalizing MSMEs and informal enterprises. Mitigation requires structured representation and sector clustering.

### **2. Low Participation**

Businesses may disengage if meetings are repetitive or lack follow-through. Clear agendas, action tracking, and feedback loops reduce this risk.

### **3. Data Inaccuracy**

Incomplete SBP renewals or misclassification of enterprises may distort diagnostics. Annual validation and cross-referencing with associations mitigate this risk.

### **4. Fiscal Overcommitment**

Dialogue may generate investment expectations beyond available fiscal space. All proposals must undergo fiscal screening consistent with the Public Finance Management Act before inclusion in budgets.

### **5. Political Transition Risk**

Administrative or political changes may disrupt continuity. Institutional embedding within departmental structures safeguards continuity.

## 6. APA Non-Compliance Risk

Failure to update the database, publish diagnostics, or document PPDF meetings could affect performance scoring under RA4 PS11 . Internal pre-APA audits shall be conducted annually.

## **PERFORMANCE AND ACCOUNTABILITY FRAMEWORK**

The Performance and Accountability Framework ensures that private sector engagement produces measurable outputs and remains compliant with KUSP II Result Area 4.

Performance is assessed at three levels:

### 1. Compliance Level (APA-Based)

- PSEF adopted and operational under APA 2 (2025).
- Database operational and updated annually.
- Diagnostic completed and publicly disclosed.
- Minimum two PPDF meetings annually under APA 3 (2026) .

### 2. Output Level

- Number of enterprises recorded in database.
- Number of sectors clustered and analyzed.
- Number of issues resolved through PPDF.
- Percentage of diagnostic recommendations integrated into ADP.

### 3. Outcome Level

- Improved regulatory efficiency indicators.
- Increased participation of MSMEs in structured dialogue.
- Increased alignment between infrastructure investments and economic clusters.

***PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR THE ELDORET CITY URBAN BOARD,  
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Quarterly progress briefs shall be prepared by the City Manager and submitted to the City Board. An annual consolidated report shall support APA verification.

**PSEF CONSIDERATIONS FOR SUSTAINABILITY**

Sustainability requires institutional normalization rather than project dependence.

**Institutional Sustainability**

The PSEF shall be embedded within City Board standing procedures. Secretariat functions shall be integrated into official job descriptions.

**Financial Sustainability**

Over time, operational costs shall be absorbed fully into the County budget to reduce reliance on external programmatic funding.

**Technical Sustainability**

Continuous capacity development ensures retention of analytical and facilitation skills within the **City Administration.**

**Governance**

**Sustainability**

Transparent documentation, public disclosure of diagnostics, and consistent reporting strengthen credibility and reduce reputational risk.

**Performance Sustainability**

Annual internal reviews prior to APA cycles ensure readiness for verification under APA 2 (2025) and APA 3 (2026) .

## **ADOPTION AND OPERATIONALIZATION OF THE PSEF**

Adoption and Operationalization of the Private Sector Engagement Framework ensures that structured private sector engagement becomes a formal function of urban governance.

County Executive Adoption: The Framework shall be adopted by the County Executive Committee under the leadership of the CECM – Lands, Housing, Physical Planning and Urban Development.

City Board Resolution: Following executive approval, the City Board shall formally adopt the Framework and authorize its operationalization.

Implementation Workplan: The City Manager shall prepare an annual implementation workplan identifying activities, responsible officers, timelines, and budget allocations.

## **COUNTY PROJECT COORDINATION TEAM (CPCT)**

The County Project Coordination Team (CPCT) provides technical coordination for implementation of the PSEF.

Responsibilities include: coordination of county departments, support to City Board during implementation, assistance with database establishment, and preparation of Annual Performance Assessment documentation.

## **DATA SHARING PROTOCOLS**

Formal data-sharing protocols shall be established between Trade, ICT, Planning, and Revenue departments to allow City Board access to enterprise data derived from SBP systems, licensing registers, and planning approvals.

Datasets shall be validated annually and integrated into the Private Sector Database.

## **PUBLIC ACCESS TO DATABASE**

Aggregated and non-sensitive information from the Private Sector Database shall be made publicly accessible in accordance with the Access to Information Act (2016) and the Data Protection Act (2019).

Access may be provided through City websites, reports, or formal information requests.

### **PPDF SECRETARIAT TERMS OF REFERENCE**

The PPDF Secretariat, led by the City Manager, shall organize meetings, prepare agendas, document proceedings, maintain dialogue records, track agreed actions, and prepare performance reports.

### **IMPLEMENTATION MATRIX**

Action	Responsible Unit	Timeline	Indicator
Improve licensing process efficiency	Trade Department	6 months	Reduced processing time
Industrial access road upgrade	Planning Department	ADP cycle	Infrastructure completion rate

### **MELR FRAMEWORK**

The Monitoring, Evaluation, Learning and Reporting (MELR) framework tracks implementation progress, evaluates outcomes, documents lessons, and produces annual reports supporting APA verification.

### **CITIZEN FOR A LINKAGE**

Issues arising from Public–Private Dialogue Forums shall be transmitted to Urban Citizen Fora established under the Urban Areas and Cities Act to ensure broader participatory governance.

### **REGISTER OF ACCREDITED BUSINESS ASSOCIATIONS**

The City Board shall maintain a register of accredited business associations eligible to participate in dialogue forums. Associations must demonstrate governance structures, membership records, and compliance with ethical standards.

**ANNEXES**

**ANNEX 01: SUMMARY OF THE RELEVANT LEGISLATION**

The Private Sector Engagement Framework (PSEF) is grounded in Kenya’s constitutional, statutory, and policy framework governing urban governance, economic development, and stakeholder participation. The following legislation provides the legal basis for structured engagement between City Board and private sector actors.

<b>Legislation</b>	<b>Key Provisions Relevant to the PSEF</b>
<b>Constitution of Kenya (2010)</b>	Establishes principles of governance including transparency, accountability, and public participation (Article 10). Article 174 promotes decentralized development, while Article 184 mandates legislation on governance and management of urban
	areas.
<b>Urban Areas and Cities Act (2011)</b>	Provides the legal framework for establishment and management of cities and municipalities. It mandates City and Municipal Boards to promote economic development, ensure stakeholder participation, and coordinate urban service delivery.
<b>County Governments Act (2012)</b>	Provides mechanisms for public participation in county governance and planning. It requires consultation with stakeholders in development planning and policy formulation.
<b>Public Finance Management Act (2012)</b>	Establishes fiscal management principles for county governments and provides the framework for budget preparation, expenditure management, and financial accountability.
<b>Public Private Partnerships Act (2021)</b>	Provides a framework for collaboration between public institutions and private investors in infrastructure development and service provision.
<b>Micro and Small Enterprises Act (2012)</b>	Establishes institutional mechanisms for development and promotion of micro and small enterprises, which form a significant component of the urban private sector.

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<b>Physical and Land Use Planning Act (2019)</b>	Provides guidelines for land use planning and development control, ensuring orderly urban development and investment.
<b>Access to Information Act (2016)</b>	Provides the legal framework for public access to information held by public entities, promoting transparency and accountability.
<b>Data Protection Act (2019)</b>	Regulates collection, processing, and protection of personal data, including data collected through private sector databases.

Collectively, these legal frameworks establish the institutional and regulatory environment within which the PSEF operates.

**ANNEX 02: ALIGNMENT AND LINKAGE TO THE URBAN GOVERNANCE REGULATORY FRAMEWORK**

The PSEF complements and reinforces existing urban governance and planning instruments by ensuring that private sector perspectives are integrated into urban planning, policy formulation, and investment decision-making processes.

<b>Planning Instrument</b>	<b>Relevance to the PSEF</b>
<b>County Integrated Development Plan (CIDP)</b>	Provides the strategic development framework for counties over a five-year period and identifies priority investment sectors that influence private sector development.
<b>Annual Development Plan (ADP)</b>	Operationalizes CIDP priorities on an annual basis. Findings from private sector diagnostics and dialogue forums can inform the prioritization of projects and programs in the ADP.
<b>County Fiscal Strategy Paper (CFSP)</b>	Sets out the fiscal priorities and sectoral resource allocation strategies for the county government. Private sector engagement informs investment priorities and economic policy direction.
<b>Programme-Based Budget (PBB)</b>	Links public expenditure to development outcomes and enables allocation of resources to support economic development initiatives emerging from private sector engagement processes.

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<b>Integrated City Development Plan (IDeP)</b>	Provides a long-term spatial and economic development framework for cities and municipalities. Private sector inputs contribute to identification of economic growth corridors and infrastructure priorities.
<b>Urban Board Governance Structures</b>	City Board provide oversight for implementation of engagement activities and ensure integration of private sector perspectives in urban management decisions.
<b>Public Participation Frameworks</b>	The PSEF complements existing citizen participation mechanisms by providing a structured platform specifically focused on economic and business issues affecting urban development.

Through these linkages, the PSEF ensures that private sector engagement contributes meaningfully to the planning, budgeting, and governance processes of urban areas.

**ANNEX 03: LIST OF FIELDS ALREADY IN THE SBP APPLICATION FORM AND ADDITIONAL FIELDS SUGGESTED**

The Private Sector Database is intended to consolidate enterprise information to support economic analysis, investment promotion, and structured dialogue between city authorities and private sector actors.

**Fields Already Captured in the Single Business Permit (SBP) Application Form**

<b>Field</b>	<b>Description</b>
<b>Business Name</b>	Registered name of the enterprise
<b>Business Registration Number</b>	Unique identifier issued by the Registrar of Companies
<b>Business Activity</b>	Description of primary economic activity
<b>Postal Address</b>	Official mailing address
<b>Physical Address</b>	Location of the business premises
<b>Phone Number</b>	Business contact number
<b>Email Address</b>	Official email address
<b>Single Business Permit Number</b>	Unique permit number issued by the county government
<b>Plot or Premises Number</b>	Land or building reference where the business operates

*PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR THE ELDORET CITY URBAN BOARD,  
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**Additional Fields Suggested for the Private Sector Database**

<b>Field</b>	<b>Purpose</b>
<b>Ownership Structure</b>	Identify legal structure of the enterprise
<b>Gender of Owner/Proprietor</b>	Support gender-disaggregated economic analysis
<b>Year of Registration</b>	Determine maturity of enterprises
<b>Sector Classification (KeSIC Code)</b>	Enable sector-based economic analysis
<b>Number of Employees</b>	Determine size of enterprise and employment

	contribution
<b>Annual Turnover Range</b>	Support MSME classification and economic analysis
<b>Geographic Coordinates (GIS)</b>	Enable spatial mapping of economic activity
<b>Membership in Business Associations</b>	Identify organized private sector representation
<b>Additional Licenses and Permits</b>	Track regulatory compliance requirements

These additional data fields support development of a comprehensive enterprise database to inform economic planning and investment promotion.

**ANNEX 04: SUGGESTED CALENDAR FOR TWO ANNUAL FORUMS ALIGNED TO THE URBAN BOARD PLANNING AND BUDGETING CALENDAR**

To ensure that private sector engagement contributes effectively to urban planning and budgeting processes, the PPDF meetings should be aligned with the statutory planning and budgeting calendar of county governments.

<b>Period</b>	<b>Activity</b>	<b>Purpose</b>
<b>January – February</b>	Preparation of Private Sector Diagnostic	Assess the business environment and identify constraints affecting economic activity.
<b>March</b>	<b>First Public-Private Dialogue Forum</b>	Present diagnostic findings and identify priority policy and investment interventions.

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<b>April – June</b>	Integration of Findings into ADP and Budget Preparation	Align private sector priorities with county planning and budgeting processes.
<b>July – August</b>	Monitoring of Implementation	Review progress of reforms and projects agreed during the first forum.
<b>September</b>	<b>Second Public–Private Dialogue Forum</b>	Evaluate implementation progress and discuss emerging economic
		issues.
<b>October – November</b>	Budget Finalization and Policy Adjustments	Incorporate dialogue outcomes into fiscal planning and sector priorities.
<b>December</b>	Annual Review and Reporting	Prepare annual engagement report and plan activities for the next cycle.

This engagement cycle ensures that dialogue outcomes directly inform planning, budgeting, and implementation processes.

**ANNEX 05: SAMPLE RESULTS FRAMEWORK**

The results framework provides a mechanism for monitoring implementation of the Private Sector Engagement Framework and assessing its contribution to improving the business environment.

<b>Result Area</b>	<b>Indicator</b>	<b>Target</b>	<b>Means of Verification</b>
<b>Private Sector Database</b>	Functional enterprise database established	Database operational and updated annually	Database records and reports
<b>Private Sector Diagnostic</b>	Diagnostic report produced annually	One report produced each year	Published diagnostic report
<b>Public–Private Dialogue Forums</b>	Number of forums convened annually	Minimum two forums per year	Forum minutes and reports
<b>Stakeholder Participation</b>	Number of private sector stakeholders participating	Representation from major sectors and associations	Attendance registers

**PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR THE ELDORET CITY URBAN BOARD,  
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<b>Policy and Regulatory Reforms</b>	Number of policy or administrative reforms implemented	At least two reforms annually	County policy documents
<b>Investment Facilitation</b>	Number of investment initiatives supported	Increased investment proposals	Investment and development reports
<b>Economic Development</b>	Improvement in business	Progressive improvement	Economic performance
<b>Outcomes</b>	environment indicators	annually	reports

The results framework enables systematic monitoring, evaluation, and reporting on the effectiveness of private sector engagement mechanisms.

*Appendix*

**Questionnaire**



**COUNTY GOVERNMENT OF UASIN GISHU  
PUBLIC PARTICIPATION QUESTIONNAIRE**

**Private Sector Engagement Framework (KUSP II) Eldoret City & Uasin Gishu County**

***SECTION A: PARTICIPANT PROFILE***

**1. Category of Participant**

- Resident
- Youth
- Woman
- Person with Disability
- MSME / Trader
- Private Company / Corporate
- Professional Association
- CSO / NGO
- Other (Specify) \_\_\_\_\_

***SECTION B: AWARENESS & CONTEXT***

**2. Before today, were you aware of KUSP II and its objectives?**

- Yes
- No

**3. Do you agree that private sector participation is necessary for urban development in Eldoret City and Uasin Gishu County?**

- Strongly Agree
- Agree
- Neutral
- Disagree

**PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR THE ELDORET CITY URBAN BOARD, UASIN GISHU COUNTY**

*UASIN GISHU COUNTY/ELDORET CITY PRIVATE SECTOR ENGAGEMENT FRAMEWORK (PSEF)*

4. **In your view, what benefits can private sector engagement bring to our City and County?**

.....

**SECTION C: OBJECTIVES & PRINCIPLES**

5. **Do the proposed objectives of the Private Sector Engagement Framework address the development needs of the City and County?**

Yes

Partially

No

6. **Which principles should guide private sector engagement? (Select up to three)**

Transparency & accountability

Value for money

Inclusivity (youth, women, PWDs)

Sustainability & climate resilience

Public interest protection

Fair competition

**SECTION D: PRIORITY AREAS FOR PRIVATE SECTOR PARTICIPATION**

7. **Which sectors should be prioritized for private sector investment? (Select all that apply)**

Roads & drainage

Markets & trading facilities

Solid waste management

Housing & urban renewal

Industrial parks & SEZs

ICT & smart city solutions

Energy & street lighting

Water & sanitation

Public spaces & beautification

8. **Are there any other sectors you recommend?**

.....

**SECTION E: MODES OF ENGAGEMENT**

9. **Which modes of private sector engagement do you support?**
- Public–Private Partnerships (PPPs)
  - Sponsorships / CSR
  - Joint ventures
  - Leasing & concessions
  - Outsourcing of services
10. **Which mode do you consider most suitable for Eldoret City and Uasin Gishu County, and why?**

.....

**SECTION F: ROLES & RESPONSIBILITIES**

11. **Do you agree with the proposed roles of the private sector and government as presented?**
- Yes
  - Partially
  - No
12. **What additional role should the County or City Government play to attract private investment?**

.....

**SECTION G: MSMEs, YOUTH & WOMEN INCLUSION**

13. **How can local MSMEs, youth, women, and PWDs be better integrated into private sector projects?**
- Reserved procurement opportunities (AGPO)
  - Skills training and capacity building
  - Access to finance and credit
  - Business incubation & mentorship
  - Subcontracting opportunities
14. **What barriers currently limit their participation?**

.....

***SECTION H: CHALLENGES & SOLUTIONS***

**15. What are the main challenges discouraging private sector investment?**

- Bureaucracy & slow approvals
- High cost of doing business
- Unclear policies & regulations
- Infrastructure gaps
- Corruption
- Land-related issues

**16. What solutions do you propose to address these challenges?**

.....

***SECTION I: TRANSPARENCY & ACCOUNTABILITY***

**17. What measures should be strengthened to ensure transparency in private sector engagements?**

- Public disclosure of projects
- Citizen oversight committees
- Regular progress reports
- Independent audits

**18. How should citizens be involved in monitoring private sector projects?**

.....

***SECTION J: EXPECTED OUTCOMES & NEXT STEPS***

**19. Do you believe this framework will improve service delivery and development outcomes?**

- Yes
- No
- Not sure

**20. What key outcomes would you like to see from private sector engagement under KUSP II?**

.....

***SECTION K: FINAL COMMENTS***

**21. Any additional comments, concerns, or recommendations?**

.....



