



COUNTY GOVERNMENT OF NYAMIRA

KENYA URBAN SUPPORT PROGRAM II (KUSP II)

PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR URBAN BOARDS

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Abbreviations and Acronyms

BETA	Bottom-Up Economic Transformation Agenda
CoG	Council of Governors
COTU	Central Organization of Trade Unions
CSOs	Civil Society Organizations
GDP	Gross Domestic Product
IDEPs	Integrated Development Plans
KAM	Kenya Association of Manufacturers
KARA	Kenya Alliance of Residents Association
KEPSA	Kenya Private Sector Alliance
KeSIC	Kenya Standard Industrial Classification
KNCCI	Kenya National Chamber of Commerce and Industry
KUSP	Kenya Urban Support Program
MCs	Minimum Conditions
MLPWHUD	Ministry of Lands, Public Works, Housing and Urban Development
MSEA	Medium and Small Enterprises Authority
MSMEs	Micro, Medium and Small Enterprises
MTP	Medium-Term Plan
NGOs	Non-Governmental Organizations
NUDP	National Urban Development Policy
PPDFs	Public Private Dialogue Forums
PS	Performance Standards
PSEF	Private Sector Engagement Framework
SBP	Small Business Permits
SDHUD	State Department of Housing and Urban Development
SMEs	Small and Medium-sized Enterprises
UACA	Urban Areas and Cities Act

FORWARD

Kenya's rapid urbanization and dynamic economic landscape highlight the critical role of the private sector in shaping sustainable, inclusive, and resilient cities. Recognizing this, the Government of Kenya has prioritized fostering strong public-private partnerships as a strategic approach to urban development, infrastructure enhancement, and economic growth.

This Private Sector Engagement Framework (PSEF) emerges as a pivotal step towards institutionalizing structured, transparent, and inclusive engagement mechanisms that harness private sector expertise, capital, and innovation. It reflects a shared vision by government, private sector stakeholders, civil society, and urban communities to work collaboratively in creating urban environments that are competitive, equitable, and environmentally sustainable.

By establishing clear guidelines and processes, the PSEF aims to unlock the full potential of Kenya's vibrant private sector, ultimately contributing to the country's overarching goals of economic transformation under Vision 2030 and the Kenya Kwanza Bottom-Up Agenda.

This framework is not just a policy document—it is a commitment to shared growth, accountability, and inclusive urban prosperity. We trust that its effective implementation will catalyze meaningful partnerships and drive Kenya's urban development into a new era of shared prosperity.

Eng. Byron Buyu

Ag. Secretary, Urban and Metropolitan Development/ Chair, KUSP II Technical Committee

PREFACE

Kenya's urban landscapes are at the forefront of national development, with cities such as Nairobi, Mombasa, and Kiambu serving as engines of economic growth, innovation, and cultural exchange. The private sector, comprising formal and informal businesses, plays a pivotal role in this urban economy by creating jobs, generating revenue, and providing essential goods and services.

However, the potential for vibrant private sector participation in urban planning and development remains underutilized due to fragmented engagement approaches. To address this gap, the Government of Kenya, in collaboration with key stakeholders, has developed this Private Sector Engagement Framework (PSEF). It aims to establish a systematic, inclusive, and participatory approach to urban governance that leverages private sector capacities for sustainable urban growth.

The development of this framework involved extensive consultations, surveys, and knowledge sharing across counties and stakeholders, reflecting Kenya's commitment to inclusive development and good governance. It aligns with constitutional mandates and legal requirements, ensuring that private sector participation is embedded across urban planning, infrastructure, and service delivery processes.

This document serves as a guide for county governments, urban boards, and private sector actors to foster mutually beneficial partnerships, ensuring that urban development is not only driven by government policies but also energized by private sector innovation and investment. It marks a significant step toward realizing a shared vision of prosperous, resilient, and inclusive urban centers in Kenya.

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Director Urban Development/KUSP II Coordinator

ACKNOWLEDGEMENT

The development of this PSEF and Toolkit has been part of the efforts led by the State Department of Housing and Urban Development departments of - Urban Development and Urban Governance, Management and Resilience, The WB and the Council of Governors, with input from County governments and their municipalities participating in the Kenya Urban Support Program II, which aims to strengthen municipalities planning and access to infrastructure and services. the development of this guidance document was spearheaded by a small team focusing on Private Sector Engagement Under the Technical Team Led By Planner Solomon Ambwere – Director Urban Governance, Management and Resilience/ KUSP II Result Area 4 and the following key officers: Planner Lilian Kieni - Project Coordinator, Charity Nekesa – Urban Planner and Deputy Result Areas 4, Ruth Musembi - Economist and Deputy Result Areas 4, Samuel Gichere – Advisor Result Area 4, the World Team and CoG, overally under the leadership of PS Housing and Urban Development Charles Hinga.

Organizations and individuals that participated in the development of this guidance document include Council of Governors, the World Bank, and the private sector.

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EXECUTIVE SUMMARY: FRAMEWORK FOR PRIVATE SECTOR ENGAGEMENT IN URBAN DEVELOPMENT IN KENYA

Background

The private sector is the engine of Kenya's economic growth, contributing about 75% of the country's GDP and employing roughly 90% of the working-age population. The sector encompasses a large number of Micro, Medium, and Small Enterprises (MSMEs), with approximately 1.5 million registered and over 5 million informal businesses, collectively generating over 30% of GDP and providing employment for nearly 15 million Kenyans. Urban areas, notably Nairobi, Mombasa, Kiambu, and Nakuru, are critical economic hubs, contributing over 50% of national GDP, with the private sector accounting for 80% of this growth.

Kenya is Vision 2030 and the Kenya Kwanza Bottom-Up Economic Transformation Agenda (BETA) position private sector-led growth as central to the country's development ambitions, particularly through business environment reforms, investment attraction, and climate resilience. However, despite the sector's strategic importance, structured engagement mechanisms between private sector actors and urban governance entities remain weak and fragmented. This limits the potential for public-private collaboration to optimize urban infrastructure, services, and economic development.

Historically, private sector participation was limited to licensing and fees, often characterized by adversarial relations. Post-2010 constitutional reforms fostered broader engagement, but formal, systematic mechanisms at the urban and county levels are still developing. Urban boards, mandated under the Urban Areas and Cities (Amendment) Act, 2019, are legally required to facilitate private sector participation, including representation in decision-making forums. Despite this, actual engagement remains inconsistent, with private sector actors often being passive rather than active partners.

Development of the Framework

The Private Sector Engagement Framework (PSEF) was developed through a participatory process involving stakeholders across government, counties, private sector associations, civil society, and residents. Key counties—Laikipia, Meru, Kwale, Turkana, Kericho, Busia, Homa Bay, and Kajiado—were sampled to gather diverse insights into current practices and identify best practices for broader adoption.

Stakeholder consultations were facilitated through extensive surveys, field visits, and virtual engagements with prominent business associations, including KEPSA and KAM. The draft framework was refined based on feedback, aligning with existing legal and policy frameworks while emphasizing the importance of structured, transparent, and inclusive engagement. It aims to serve as a standardized model for counties to operationalize private sector participation in urban planning and development, ultimately fostering vibrant, inclusive, and resilient cities.

Legal and Policy Alignment

The framework aligns with Kenya's legal environment, including:

- The 2010 Constitution, which underscores public participation.
- County Government Act, 2012, promoting public-private partnerships.

- Urban Areas and Cities (Amendment) Act, 2019, mandating private sector participation and establishing mechanisms such as citizen forums.
- Public Finance Management Act, 2012, emphasizing participatory budgeting.
- Access to Information Act, 2016, ensuring transparency.

These laws support the institutionalization of engagement mechanisms, mapping private sector actors, and integrating their contributions into urban planning, budgeting, and development processes.

Objectives and Approach

The primary aim of the PSEF is to provide county governments with a standardized approach to engage the private sector systematically. It seeks to increase private sector participation, improve urban policy alignment with private needs, foster collaboration, and leverage private resources for infrastructure and service delivery. The framework promotes evidence-based, inclusive, and transparent engagement, creating mutual trust and shared responsibility.

The approach is anchored on:

- Alignment with Kenya’s legal and policy frameworks.
- Clear roles, responsibilities, and processes for public and private actors.
- Leveraging existing urban governance structures and tools, including the World Bank’s Toolkit for Competitive Counties.
- Promoting intergovernmental cooperation and stakeholder inclusivity.

Principles

Core principles guiding the PSEF include:

- **Legal and Policy Alignment:** Compliance with Kenya’s constitutional and statutory mandates.
- **Purpose-Driven Engagement:** Clear goals with defined outcomes.
- **Inclusivity & Equity:** Broad stakeholder representation, including informal sector, women, youth, and marginalized groups.
- **Intergovernmental Collaboration:** Effective coordination across all levels of government.
- **Transparency & Accountability:** Open processes and performance monitoring.

In summary, this framework aims to transform urban governance by institutionalizing structured private sector engagement—fostering vibrant, sustainable, and inclusive urban economies aligned with Kenya’s long-term development goals.

INTRODUCTION

Background

The National Urban Development Policy (2016) recognizes that the country has witnessed rapid urban growth rates of around 5% which has resulted in an urban population rise from 8% at independence to about 40% in 2015. It is therefore projected that more than half of the total Kenyan population will be living in urban areas by 2050.

The Kenya Constitution 2010 created the 47 devolved units that are now generally considered as the engines of growth and especially in terms of contributions to the country's Gross Domestic Product (GDP) and employment. This constitutional change, coupled with the increasing urbanization phenomenon, has helped stimulate business opportunities and the creation of wealth in terms of goods and services to the overall GDP in Kenya. In particular, the private sector in Kenya is estimated to contribute approximately 75% of the country's GDP, as well as employ around 90% of the working-age population. The sector is therefore considered the primary driver of economic growth in the country.

The formal and informal Micro, Medium and Small Enterprises (MSMEs) in the country form a large portion of the private sector enterprises. With this recognition, the Government created the Micro and Small Enterprise Authority (MSEA), under the Ministry of Cooperatives and Micro, Small and Medium Enterprises Development as a State Corporation and regulated by MSEA Act, 2012. The Authority is charged with the responsibility of coordinating and mainstreaming the MSMEs development function in Kenya.

Kenya is estimated to have about 1.5 million formally registered Micro, Medium and Small Enterprises (MSMEs) and over 5 million informal MSMEs. They collectively generate over 30 percent of the GDP and employ approximately 14.9 million Kenyans across various sectors. This means a significant portion of Kenya's economic output is generated by these businesses.

Urban areas in Kenya are critical economic hubs, contributing over 50% of the national GDP, with Nairobi, Mombasa, Kiambu, and Nakuru accounting for about 38%. The private sector is the key driver of this growth, contributing 80% of GDP, of which 90% are MSMEs and 83.38% are in the informal sector¹.

It is also acknowledged that the private sector plays a vital role in urban development as the main producer, consumer, and service partner. It is the largest employer and tax contributor, bringing essential knowledge, skills, and capital to improve urban infrastructure and services. A competitive business environment, reliable infrastructure, and access to skills and finance are critical to fostering private sector growth. The National Urban Development Policy (NUDP) highlights vibrant urban economies, infrastructure, governance and finance, and climate resilience as pillars for inclusive, sustainable growth¹.

Kenya's Vision 2030 and the Kenya Kwanza Bottom-Up Economic Transformation Agenda (BETA) position the private sector as central to achieving middle-income status. The fourth Medium-Term Development Plan (MTP IV) 2023–2027 emphasizes the importance of private sector-led growth through business environment reforms, investment attraction, and climate improvements to drive economic transformation².

The National Urban Development Policy (2016) is operationalized by the Urban Areas and Cities Act (2011) with attendant regulations. Due to the various changes in the management of cities and urban areas, the Ministry of Lands, Public Works, Housing and Urban Development, through the State Department of Housing and Urban Development, (SDHUD) is in the process of reviewing the National Urban Development Policy and publish the Urban Areas and Cities Act Regulations to ensure responsiveness to emerging challenges.

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

² MTP IV (2023 – 2027)

While national agencies³ engage in policy and regulatory reforms and work with counties to streamline business registration, licensing, and operational processes, the constitutional and legal framework⁴ recognizes the competitive advantage of county governments and urban boards and assigns them the pivotal roles of creating enabling and competitive environments for business. To perform these functions effectively, the county governments and urban boards are required to engage with the private sector in the process of planning and implementation of their socio-economic agenda.

Despite the vital role of the private sector in urban development, structured engagement mechanisms are lacking, resulting in fragmented and weak participation in urban planning. Institutionalizing a framework for inclusive, structured engagement can lead to more responsive policies and investments, fostering competitive environments and vibrant private sector growth. Such engagement can leverage private sector expertise, capital, and innovation to improve urban infrastructure and services, while building commitment to shared goals and mutual accountability.

Rationale for a Framework for Public-Private Engagement for Urban Development

Kenya's constitution and legal frameworks recognize the private sector as a key player in urban development, driving the urban economy, creating jobs, generating revenue, and partnering in service delivery. Counties, cities, and municipalities are tasked with creating inclusive, competitive business environments through functions such as urban planning, development control, business and trade regulation, land surveying, enterprise and skills development, and infrastructure services like roads, drainage, water, and sanitation. Engaging the private sector is essential to these processes and can lead to attracting and retaining private sector investment, driving job creation, stimulating economic growth, and increasing local tax revenue for further urban infrastructure development and provision of services. Private sector participation also allows municipalities to leverage private sector capital, technology, and innovation, forming partnerships that improve service delivery and infrastructure.

Urban boards are legally required to establish mechanisms for active public participation in urban management. The Urban Areas and Cities (Amendment) Act, 2019 (UACA) mandates boards to convene citizen forums, including representation from the private sector and informal business associations, to engage residents in city affairs. These forums provide a platform for aligning policies and investments with the needs of the private sector and local residents.

Effective engagement creates a cycle of mutual benefit, driving vibrant urban economies and prosperous societies. However, there has been minimal guidance on structuring these engagement processes. It is therefore expected that this Private Sector Engagement Framework will offer a standardized, systematic approach for urban boards to partner with the private sector, supporting participatory urban development and fostering competitive, inclusive business environments.

Current practice

Prior to the enactment of the Kenya Constitution 2010, local authorities engaged the private sector primarily through trade licensing, fee collection, and bylaw enforcement. Private sector participation in decision-making was minimal, and the relationship between local authorities and businesses was often adversarial and transactional. Underinvestment in strategic areas and poor service delivery built mistrust and alienated the local business community.

The post-2010 constitutional, legal, and policy framework now recognizes the private sector's critical role in urban development. County governments and urban boards are mandated to facilitate urban planning, development control, economic infrastructure, and local economic growth. Private sector representation in governance and decision-making has expanded, creating opportunities to leverage private sector contributions for growth and development.

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

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

However, engagement at the urban board level remains inconsistent. While county-level engagement has improved over time, urban boards have yet to establish formal, regular and structured mechanisms for private sector involvement. The legacy of mistrust persists, with the private sector often being a passive participant rather than an active partner in urban planning, development and service delivery. This situation limits the realization of the full potential benefits of public-private collaboration.

Implementation of KUSP II

Kenya is implementing phase two of the Kenya Urban Support Program for 2023-2027 plan period. The program development objective is to strengthen the capacities of urban institutions through improved delivery and resilience of urban infrastructure and services, enhanced private sector engagement in urban planning, and to support the transition of refugee camps into integrated host community and refugee settlements. The program has five main result areas namely:

RA 1: Strengthened institutions for urban service delivery, strengthening the management of urban institutions for improved urban service delivery, through inter alia, institutional capacity building, enabling the delegation of functions, enhancing of municipal human resources management, and financing, and improving citizen participation.

RA 2: Integrated planning for inclusive⁵ and resilient urban areas. Enhancing the planning and development control capacity of urban institutions, through inter alia, strengthening of planning instruments, including climate change and gender considerations, and improving their implementation and monitoring through appropriate development control tools and capacity.

RA 3: More inclusive⁶ and resilient urban services and infrastructure. Improving access to urban infrastructure and services, as well as strengthening their resilience and sustainability through inter alia, enhancing the capacity for planning, design and implementation of climate-resilient and inclusive urban investments, developing asset registries and management plans, and enhancing the operation and maintenance budget of urban institutions.

RA 4: Improved private sector engagement. Enhancing the private sector's contribution to urban planning and development through inter alia, supporting the development and implementation of an engagement framework and promoting urban development plans being informed by dialogue with the private sector.

RA 5: Improved integrated development for refugees and host communities. Supporting the transition of refugee camps into integrated host community and refugee settlements, through inter alia, the establishment and capacity building of unified urban institutions to lead joint planning, infrastructure and service delivery and economic activity and social cohesion interventions.

The Specific Objectives of Result Area 4 are:

- 1) To provide participating urban boards with access to up-to-date business enterprise data to facilitate engagement and planning
- 2) To support urban boards identify and promote formation of business enterprise organizations/association that will be vehicles for private sector engagement.
- 3) To provide guidance on establishing public private dialogue forums and incorporating dialogue outcomes to relevant planning documents with specific focus to providing inputs to IDEPs
- 4) To provide urban boards with diagnostic toolkit for carrying out local economy and private sector diagnostic to enhance understanding opportunities for promoting urban development

KUSP II will be assessed through three Annual Program Appraisals (APAs). The APA 1 was carried out in 2024. The APA 2 is expected by August 2025 and the APA 3 by or about August 2026. According the

⁵ Inclusive planning is a form of integrated planning that supports the creation of cities that accommodate everyone (regardless of their economic status, gender, ethnicity, disability, age, religion, nationality etc) by ensuring that: people have access to affordable and equitable basic services at their disposal usually within 15 minutes, public spaces are accessible to all, prioritises NMT and Mass Public Transit over private vehicles, provides livelihood opportunities and ensures the participation of all stakeholders in the city building process, and particularly the vulnerable and marginalized groups.

⁶ Inclusive infrastructure refers to infrastructure development that enhances positive socio-economic outcome by accounting for the needs of everyone, ensuring equal access to quality services and enhancing access to development opportunities for the broadest segments of society, especially vulnerable and marginalized groups.

Minimum condition number 8 (MC8) by August 2025, all participating urban area are expected to be operating within the county government's Private Sector Engagement Framework to promote public private dialogue. The counties must have an up-to-date on line business enterprise database for each participating board (updated annually). According to Performance standard (PS11) all counties are expected to be implementing a county government's Private Sector Engagement Framework where participating urban board has developed a database of local businesses that is also updated the database on an annual basis. Similarly, the counties must have held at least two public-private dialogue (PPD) consultative meetings during the past 12 months and reports on meeting's deliberations and private sector input to inform urban development plans are prepared and discussed.

It is also expected that by the time of APA 3 in August 2026 under MC6 all Municipalities will have updated a comprehensive IDeP and Physical and Land Use Plan. The Urban IDeP includes principal findings and proposals of private sector dialogues and diagnostic (from APA2). Under MC8, the participating urban area operates within the county government's private sector engagement framework to promote public-private dialogue and the county government has developed an engagement framework to promote public-private dialogue

Under PS11, all municipalities are expected to be implementing the county government's private sector engagement framework and the participating urban board has: completed a comprehensive private sector needs diagnostic and publicly disclosed the private sector needs diagnostic.

The preparation of this Private Sector Engagement Framework and its Toolkit is guided by both the existing policy and legislative framework. The preparation of these documents was participatory, ensuring appropriate engagement of stakeholders and more so the 45 counties and 79 Municipalities engaged in the implementation of KUSP II.

Development of the framework

This PSEF was developed through a participatory process involving national ministries, departments and Agencies, the Council of Governors (COG), county government departments, urban boards and administrators, private sector representatives (including from private sector associations, informal enterprises, women, youth, and persons with disabilities), residents associations and Civil Society Organizations (CSOs).

The State Department of Housing and Urban Development (SDHUD), in liaison with the Council of Governors and with the assistance of the World Bank undertook a survey of current practices on private sector engagement in the counties from 2nd December to 11th December 2024. An earlier consultative visit on the same had been made to Kiambu and Makueni counties. A detailed assignment was later carried out through field visits to eight (8) sampled counties namely Laikipia, Meru, Kwale, Turkana, Kericho, Busia, Homa Bay and Kajiado) as shown in Table 1.

Table 1: Sampling frame and sample size

No	Region	Counties sampled	Sampled municipality/city
1	Central region	Laikipia	Nanyuki
2	Eastern Region	Meru	Meru
3	Coastal Region	Kwale	Diani
4	North Rift Region	Turkana	Kakuma
5	South Rift Region	Kericho	Kericho
6	Western Region	Busia	Malaba
7	Lake Region	Homa Bay	Homa Bay
8	Metro Region	Kajiado	Kitengela
Total			8

The choice of pilot counties considered the former and newly chartered municipalities, size, and economic activity. The sampling criteria sought to obtain representative, crucial information on the private sector engagement at the urban entities and to document best practices that could be adopted

across other urban areas. In addition, Kiambu and Makueni had separately been involved in almost similar engagements and their views were considered in the preparation process of the PSEF.

Noteworthy too is that during the preparation process of the PSEF, the State Department of Housing and Urban Development jointly with the Council of Governors engaged in extensive consultations with private sector associations/umbrella groups including the Kenya National Chambers of Commerce (KNCCI), Kenya Association of Manufacturers (KAM), Kenya Private Sector Association (KEPSA) and Kenya Association of Residents Associations (KARA). Likewise, consultations were made with the national ministries and state departments with functions related to private sector development including the Kenya National Bureau of Statistics (KNBS), the Medium and Small Enterprises Authority (MSEA), Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development and the State Department of Trade.

Based on the survey findings from the extensive stakeholder consultations and best practices, a draft framework was subjected to review and comments, and a final version validated by the stakeholders through a participatory process. Through the validation process:

- a) The Draft Private Sector Engagement Framework and Toolkit were adopted and validated for the approval process and roll out;
- b) The roles and responsibilities of the counties/urban boards in private sector engagement were considered and adopted;
- c) Consensus was built on the use of KeSIC as the base for diagnostics of the local economy;
- d) Consensus was built on the need to develop a business enterprise database;
- e) Consensus was built and adoption of the process of accreditation of business associations in urban areas made;
- f) Consensus was built on Private sector engagement and required standards of conducting public-private dialogues adopted.

This Private Sector Engagement Framework therefore serves as a model framework for county governments to adopt and support their urban areas to operationalize for effective engagement with the private sector in urban planning and development. It is expected that the PSEF and the Toolkit will be rolled out in all counties before the second KUSPII Annual Assessment.

Legal Basis and Alignment to Existing County Frameworks and Processes

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

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

- **The Kenya Constitution, 2010:** Establishes public participation as a fundamental governance principle.
- **County Government Act, 2012:** Provides the legal framework for county governance and encourages public-private partnerships and dialogue for sustainable development.
- **Urban Areas and Cities (Amendment) Act, 2019:** Mandates private sector participation in urban governance by nominating members to Urban boards and establishing citizen forums for resident engagement in urban affairs. The **UACA Draft Regulations, 2022** require boards to map and accredit business associations, maintain registers, and build capacity for effective engagement.
- **Public Finance Management Act, 2012:** Requires public participation in county budget-making processes.
- **Access to Information Act, 2016:** Guarantees public access to information held by public entities including county governments. County assemblies have standing orders detailing procedures for public participation in legislative processes. Additionally, specific county policies further define methods for public engagement and private sector collaboration.

Annex 01 provides a summary of the relevant legislation

Objective of the framework

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

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

Approach to the PSE Framework

The framework:

1. Aligns with Kenya's constitutional, legal, policy, and institutional framework governing devolved urban governance, administration, and service delivery. It operationalizes the UACA (Amendment) Act, 2019, and its Draft Regulations, 2022, institutionalizing engagement structures, accountability, and action implementation.
2. Anchors on the legal basis for private sector engagement in urban governance, complementing existing county and urban policies and citizen engagement structures. **Annex 02 provides a detailed outline of the framework's alignment with urban governance systems.**
3. Defines the roles of public and private sector actors, engagement structures, and processes. It is inclusive, ensuring representation and accessibility for both formal and informal private sector actors. It brings together stakeholders to facilitate co-design, coordination, and collaboration necessary for creating competitive and inclusive urban environments.
4. Components are interconnected, building on existing county and urban governance structures to inform planning, budgeting, investment, service delivery, and accountability.
5. Guides urban boards in organizing the private sector for effective engagement, identifying needs, and convening structured dialogue forums. These forums help prioritize and co-design interventions, which are then integrated into policies, legislation and regulations, plans, and budgets, with built-in performance and accountability monitoring.
6. Leverages the World Bank's Toolkit for Competitive Counties, using its analytical tools to identify and categorize interventions to improve business environments and foster enterprise growth and job creation. This focuses on four policy levers available to counties and urban areas: institutions, infrastructure, skills, and enterprise support.

Principles of the PSEF

The principles of the PSEF include the following:

1. **Alignment with relevant policy and legal frameworks:** Adheres to constitutional, legal, and policy requirements for private sector engagement in governance and urban development;
2. **Purpose-driven engagement:** Ensures that all engagements are goal-oriented, resulting in clear collective actions and measurable outcomes within a specified time frame;
3. **Inclusivity and equity:** Guarantees that engagement processes are inclusive, accessible, and equitable, ensuring no stakeholder is left behind in both process and outcome;
4. **Intergovernmental collaboration:** Promotes effective coordination and cooperation across all levels of government, aligned with devolved functions and principles of intergovernmental collaboration; and
5. **Transparency and accountability:** Upholds transparency through public disclosure of processes and decisions, ensuring accountability for all actions taken.

Key Actors and Roles

Based on the literature review, field visits and stakeholders' consultations, the key actors and their roles are defined in Table 2. However, each county framework should define the relevant stakeholders and actors based on how they would be engaged.

Table 2: Key actors and roles

Actor	Roles and Responsibilities
National Government	Kenya National Bureau of Statistics (KNBS): The Kenya National Bureau of Statistics has the responsibility of coordinating the National Statistical System (NSS). KeSIC developed by the Ministry of Labour and Social Protection and KNBS for statistical purposes for business coding system⁷ provides a comprehensive framework for categorizing businesses based on their primary activities or industries. Medium and Small Enterprises Authority (MSEA): The Authority is domiciled in the Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development. It coordinates, harmonizes and facilitates the integration of various public and private sector activities, programmes and development plans relating to MSEs. This includes registration of micro and small enterprises (MSEs) associations, capacity building, supporting market access and infrastructure development, access to affordable credit, and MSE centers of excellence. It regulates, develops, and promotes MSEs.
County Government	County Executive: Assists in planning, adopting, and reviewing Integrated Development Plans (IDEPs), ensuring alignment with county and national policies and strategies. Appoints urban board members through a competitive process. County Executive Committee Member (CECM): Appointed by the governor to coordinate board functions and approve urban development plans. County Assembly (CA): Approves urban board appointments, county plans, IDEPs and urban board budgets, and oversees urban development policies and regulations. County Revenue Boards responsible for county revenue management gather data on the private sector and have data analytics and statistical capacity. County Investment Authorities conduct research, investment promotion and outreach activities.
Urban boards	Implement the PSE Framework, incorporating activities into IDEPs, annual plans, and budgets. Oversees urban administration in executing these plans. The Urban Manager ensures the PSEF contains a performance framework, manages implementation and reports on PSEF activities.
Private Sector	Private Sector: Engages in dialogue with urban boards to influence policy, urban planning, and investment priorities. Offers resources, technology, and expertise to enhance infrastructure and service delivery while ensuring alignment with business growth opportunities. Informal Businesses: Represent over 80% of MSMEs, generating up to 70% of jobs, particularly for women and youth. Their role is to actively participate in dialogue and help identify urban development needs, policies and investment opportunities that support business growth. Often unregistered, they rely on membership organizations for collective representation and engagement with urban boards. Formal Businesses: Ranging from small to large enterprises, including multinational companies, their role is to actively participate in dialogue and help identify urban development needs, policies and investment opportunities that support business growth. Business Associations: Act as intermediaries for collective private sector interests, focusing on policy advocacy, promotion, and standardization. They

⁷ KeSIC is a domestication of International Standard Industrial Classification of All Economic Activities (ISIC Rev 4) ensuring international comparability of statistics relating to economic activities.

	organize engagement with urban boards to ensure private sector priorities are represented. Umbrella Organizations: National bodies like Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Industry (KNCCI) and Central Organization of Trade Unions (COTU) bring together business groups for enhanced participation, coordinated advocacy and policy influence, playing a key role in shaping the policy and regulatory environment, strategic urban initiatives and investment decisions.
Other State and Non-State Actors	Professional Associations and Research Institutions: Provide technical expertise through surveys, research, and data analysis to guide urban planning and policymaking. Dialogue Partners: Decentralized ministries, regulatory agencies, and development agencies collaborate with urban boards to support the implementation of policies, regulatory reforms, and capacity building for urban development. They also facilitate coordination between national and local government functions. Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs): Advocate for issues such as gender equity, climate action, environmental protection, social and economic inclusion. They ensure that urban development is inclusive and addresses broader social, economic, environmental, and community concerns, bringing marginalized voices into the conversation. Residents' associations: Resident associations represent important organized urban constituents and stakeholders residing and engaging with and contributing to the urban economy within the municipality. They have an interest and stake in its development. Kenya Alliance of Resident Associations (KARA) is their umbrella body of resident associations.

Benefits of adopting the Private Sector Engagement framework

It is appreciated that numerous formal and informal private sector players in every county are involved in diverse economic activities. It is therefore anticipated that adoption of a Private Sector Engagement Framework will not only enhance their involvement in the planning of the urban areas but also help stimulate additional investments that contribute to socio-economic development and thus GDP. Some of the additional benefits are summarized below:

1. **Institutionalized engagement:** Shifts County and urban boards from fragmented, transactional interactions with the private sector to structured, consistent engagement in governance and decision-making. This fosters mutual understanding, aligns priorities, enhances policy effectiveness, encourages formalization, improves compliance, and boosts private sector contributions to the local economy, ultimately creating more jobs;
2. **Knowledge and resource sharing:** Leverages private sector expertise in research, technology, management, and innovation to enhance public sector efficiency and productivity, stimulating mutual learning;
3. **Clarifies roles and responsibilities:** Clearly defines the roles of county governments, the private sector, and other stakeholders, fostering commitment, accountability, and improved performance through shared goals;
4. **Strengthens trust and cooperation:** Promotes collaboration by breaking down barriers, fostering trust, and building a social contract that supports reform implementation and compliance;
5. **Reduces information gaps:** Bridges knowledge and information gaps between the public and private sectors, leading to more informed decision-making and efficient cooperation; and

6. **Builds partnerships:** Facilitates partnerships by deepening the understanding between urban boards and the private sector, leading to the identification of opportunities, resource mobilization, and risk-sharing to enhance urban development and service delivery.

Components of the PSEF

The following are components considered as essential building blocks for effective engagement with the private sector for urban planning and development and inclusive, competitive business environments:

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

The details of the components are provided below:

1. Private sector database for urban boards

To engage effectively in urban planning and development, urban boards should know the profiles and contacts of the businesses operating within their areas. This requires collecting, maintaining, and analyzing business data to gain insights into their organization, interests, influence, and overall contribution to the local economy.

The data is necessary for urban boards to better engage the private sector players in dialogue and action. The data supports outreach, communication, and relationship-building with the private sector.

Sources of data: County government departments collect and store this data in the performance of their respective functions. Of significant relevance is the county revenue departments, which gather and store business enterprise data during business and trade permitting process in the Single Business Permits (SBP) database. Other databanks include property rolls and land registries.

The SBP database offers a primary source of business data on licensed businesses that can be shared with urban boards as an initial basis for their private sector databases. The county departments responsible for the SBP data should grant urban boards access to disaggregated data specific to their jurisdictions. To facilitate this access, it may be necessary for the county SBP application forms and/or online platforms to be modified:

1. To incorporate a field to capture the urban area (city or municipality) of operation through a standard dropdown list of all urban areas to facilitate data disaggregation and sharing to the respective urban area⁸. While the business location/address (in some cases GIS coordinates) is included fields for urban area i.e., the city/municipality of operation are not as these are relatively new administrative jurisdictions.

Other data fields which may be incorporated to enrich the information gathered on business entities to better engage in dialogue and action include geo-location (GIS coordinates), years in operation, number of employees, business affiliation. See **Annex 03** for the list of fields already in the SBP application form and additional fields suggested.

2. To establish data access protocols that allow urban boards access to relevant disaggregated business data on entities within their jurisdiction.

County departments that can serve as data sources include departments responsible for public participation that routinely map, gather and store data on the local citizens including the private sector, both formal and informal. Departments of trade and cooperatives also possess valuable data on businesses and trade associations and cooperatives captured in the performance of their functions.

County revenue boards and investment authorities actively collect and hold valuable data on the private sector and business entities. These institutions also have research and data analytical capacity to support urban boards in establishing their databases and analyzing the data for engagement and planning.

Local Chambers of Commerce, trade associations and organized groups: The Kenya National Chamber of Commerce and Industry (KNCCI) has well-established and active devolved chapters in all counties. These local chapters have an active membership and data that can be shared with urban boards on local business entities. In addition, there are formal and informal trade and business associations and organized groups in the counties with local membership including special interest groups such as refugees, women, youth and persons with disability. These groups can all provide valuable sources of data for urban boards.

Primary data collection: Urban boards may also collect data through business enterprise surveys to ensure they have comprehensive data on both formal and informal businesses to ensure inclusive engagement.

National institutions: Kenya National Bureau of Statistics publishes County Statistical Abstracts (e.g. for Liakipia), and conducts enterprise surveys. MSEA registers MSE associations and is also involved in surveys.

Standardized coding of business categories: A standardized coding system for business categorization is necessary to facilitate uniformity in business categorization. For statistical purposes, the national government through the KNBS uses the Kenya Standardized Industry Classification (KeSIC) system⁹, a comprehensive framework for categorizing economic activities that can be applied to categorize businesses based on their primary industry and economic activity. Counties should adopt standardized coding system for business categorization to ensure uniformity in business categorization. This standardized approach will:

- a) Improve the efficiency and accuracy of business data analysis and management, leading to more informed decision-making and resource planning.
- b) Support vertical and horizontal data aggregation, leading to better alignment, harmonization, and integration of urban policies and plans, and enable consistent statistical and economic reporting across urban areas and counties. It facilitates implementation of the County Licensing (Uniform Procedures) Act 2024, which seeks to harmonize licensing, regulations, procedures and requirements and fee structures across counties.
- c) Allow for accurate segmentation and clustering of businesses by sector, industry, and activity, facilitating more targeted engagement.
- d) Enable comparative analysis of businesses and markets across counties.
- e) Identify trends and patterns to inform policy development, planning, and resource allocation.

Data management and visualization: The urban boards should create and maintain database management systems (for example, using MS Excel). They may employ geo-mapping and data analytics

⁹ KeSIC is developed by the Ministry of Labor and Social Protection and Kenya National Bureau of Standards (KNBS) and is a domestication of International Standard Industrial Classification of All Economic Activities (ISIC Rev 4) ensuring international comparability of statistics relating to economic activities.

tools to facilitate visualization of data through maps and charts to support clustering for targeted engagement and for planning and targeting of services and investments. This data management system may provide contextual and geographic perspective, support analysis of patterns i.e., trade, supply chains, infrastructure and service delivery usage and demands, or the identification of areas of economic growth and potential investment. It may also provide insights on private sector resources that the urban board can tap into and leverage through partnerships. Boards may explore partnerships with data analytics companies to assist in providing customized solutions, including on data extraction, analysis, mapping and visualization.

Data privacy and security: Urban boards must comply with the **Data Protection Act, 2019** to ensure data security and privacy. While particular information from the database should be made publicly accessible to stakeholders via secure portals, this should be in accordance with the **Access to Information Act, 2016**.

Public accessibility to private sector database: Once established, the urban boards should provide access to information on the private sector database by publishing data online on their websites, in line with data protection legislation and regulations. This is expected to foster open, inclusive engagement, networking and to demonstrate local market growth through increased contribution to urban development and growth.

2. Private sector diagnostic

Private sector diagnostics are conducted to gain a deeper understanding of the local business environment, market dynamics, and key constraints affecting private sector competitiveness. They unlock private sector-led growth and investment towards accelerating economic growth within an appropriate policy and regulatory regime. They help to identify untapped private investment opportunities and associated barriers. They also facilitate identification of sector opportunities based on their potential to spur private investment, create jobs, generate domestic revenue, and foster sustainable, inclusive growth. Private sector diagnostics help to prioritize the most impactful actions that can boost private sector growth, while delivering on broader development goals.

Urban boards should conduct private sector diagnostic to assess the local business environment, the broader economic landscape, and its impact on business operations, identifying enablers and challenges. It is a crucial step in improving the local business environment and fostering private sector-led growth.

The diagnostic can be part of a broader local economy assessment and helps shape responsive interventions. The resulting reports inform discussions between urban boards, the private sector, and other stakeholders, guiding urban planning, investment prioritization, and the preparation or review of policy and regulatory instruments. Additionally, diagnostics can focus on specific industries or sectors of strategic importance or high growth potential.

The process involves **desk research** and **business/enterprise surveys**, and **consultative sessions** with the private sector and other stakeholders to assess the local business landscape.

The World Bank's **Toolkit for Competitive Counties in Kenya**¹⁰ provides an analytical framework to identify needs and design interventions across four key policy areas:

1. Institutions and Regulations:

- Assesses the effectiveness of local institutions, policies, and regulations.
- Reviews business registration, licensing, and permitting processes.
- Evaluates the enforcement of property rights and contract mechanisms.

2. Infrastructure and Land:

- Reviews the state of infrastructure (transport, utilities, waste management) and identifies gaps affecting business growth.

¹⁰ World Bank (2022). *Toolkit for Competitive Counties in Kenya. A Practical Tool to Promote Firm Competitiveness for Jobs and Economic Transformation at the Subnational Level in Kenya*: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099060723075540946/p1768210335e4d0009ba9055776f10b96a>

- Analyzes land use policies and zoning regulations to evaluate their impact on investment and business activity.
3. **Skills and Innovation:**
- Identifies skills gaps in the labor market and assesses vocational training programs.
 - Evaluates the level of innovation within the business community and available support for research and development.
4. **Enterprise Support and Finance:**
- Analyzes the availability of financial services (banking, microfinance, venture capital).
 - Reviews enterprise support programs and business development services.
 - Identifies barriers to finance and explore innovative solutions for small and medium enterprises (SMEs).

The diagnostic findings should be made publicly available and will inform **public-private dialogue forums** as well as the preparation and review of the private sector related policies and regulations. In addition, **it informs the preparation of the Integrated Development Plans (IDePs)**, Annual Urban Plans, and budgets. The initial diagnostic serves as a baseline and will be reviewed and updated annually during public-private dialogue forums to assess progress and guide future interventions.

County governments should support boards in carrying out diagnostics and establish collaboration and partnerships with MSEA, KNBS, KNNCI and the local county chapters, KEPSA, KAM, other associations and research agencies that carry out private sector surveys and research.

3. **Public-private dialogue forums (PPDF) for urban planning and development**

Urban boards should establish **regular, purpose-driven dialogue** forums with private sector actors to better understand the business environment, the private sector, their needs and the barriers they face and the opportunities to develop an inclusive, competitive urban areas. The Public Private Dialogue Forums (PPDF) should bring representatives from both formal and informal businesses, business associations and other dialogue partners and stakeholders¹¹, together to share and gather information, understand needs and opportunities, and agree on priorities that inform urban development plans and the development of competitive urban areas.

PPDF serve as open, inclusive platforms where local private sector needs are aligned with public sector mandates, resources, and capacity. The meetings should be structured and scheduled to build consensus, set shared objectives, and prioritize interventions for integration into urban plans, enhancing the efficiency and effectiveness of public sector support for business competitiveness and economic growth.

The outcome of these dialogues should inform the preparation, implementation, and review of **Integrated Development Plans (IDePs)**, annual urban area plans and budgets, land use development plans, building and zoning regulations, development control, and other regulatory instruments.

It is by holding regular dialogue forums that a feedback loop can be established to continuously improve policy design, implementation, and results monitoring. This feedback process fosters mutual commitment, accountability, and shared responsibility for outcomes. It also supports continuous learning and adaptive management, addressing emerging opportunities, challenges, and bottlenecks, helping to build agile and resilient businesses and urban communities.

Accreditation of business associations: Business associations serve as important channels for urban boards to engage businesses in structured dialogue on areas of mutual interests, to set common

¹¹ Public actors i.e, relevant county departments and ministries departments and agencies, and other urban market system actors and stakeholders operating in the city or municipality i.e., professional association, research and learning institutions, development agencies, non-governmental organizations (NGO), civil society organizations (CSO), urban residents associations.

objectives and build collaborative relationships. Currently, private sector formal business registration of associations is done by MSEA. It would therefore be useful for the county and urban area managers to obtain information from MSEA to facilitate the mapping of these associations. This would also help to understand the extent of membership (percent of members), the governance structures to determine the level of representation, inclusion and accredit the legitimate associations as anticipated in the draft UACA Draft Regulations, 2022.

Counties and urban boards should encourage business entities, including informal sector enterprises, to affiliate and form or join business associations or other membership organizations based on shared interests, industry, or geographic location. Business associations and member organizations should be encouraged to apply for accreditation with the county or urban board as per the **UACA Draft Regulations, 2022** which provides guidance on this accreditation process. The urban boards should maintain a register of accredited associations to streamline outreach and engagement efforts.

Accreditation formally recognizes associations as legitimate representatives of their members, empowering them to engage with city and municipal boards to lobby and advocate for their perspectives and proposals. Accreditation requires that the business membership organizations meet standards of professionalism, governance, and ethical conduct, lending credibility and fostering trust in their ability to effectively represent their members' interests.

Convening the Public-Private Dialogue Forum (PPDF)

It is expected that each county will develop a county private sector dialogue forum structure that the urban boards can adopt, building on and aligning with the existing county and urban structures. This process should be guided by existing county guidelines on public participation. This will allow coordinated engagement across urban areas within the county that informs urban planning and development. Existing engagement structures should be built upon for example within the Departments of Trade. The urban board is responsible for operationalizing and resourcing the Public-Private Dialogue Forum (PPDF).

Urban area PPDF structure:

1. **Champion:** The board member representing the private sector or chairing the committee responsible for the private sector should champion the PPDF.
2. **Secretariat:** The board should establish a secretariat led by the urban manager (who will act as secretary of the forum) to manage the forum's operations. Private sector representatives with relevant skills may contribute and provide technical and administrative support.
3. **PPDF membership:** The board should define membership criteria that is inclusive and adequately reflect their local private sector. The private sector database and the register of accredited business associations will help inform the structure. Membership should comprise accredited associations representing both formal and informal enterprises, cooperatives and special interest business groups such as women, youth and persons with disability, major business players and stakeholders such as residents' associations, financial institutions. It is expected that Associations will be responsible for nominating representatives to the forum.
Other dialogue partners, such as relevant county departments, ministries, development agencies, research institutions, civil society organizations (CSOs), and non-governmental organizations (NGOs), may be co-opted into the forum as may be needed.
4. **Leadership:** A leadership structure should be created with the board member responsible for the PPDF as chair of the forum and a private sector representative as co-chair.
5. **Working groups or committees** may also be created, aligned with local industry sectors or policy priorities.

Organizing the PPDF: County departments and municipalities already engage the business community in budget and policy dialogue on an ad-hoc basis. For structured dialogue, the board should cluster businesses and associations by sector or industry for example the transport sector, tourism or hospitality sector or residents' associations. These clusters should be encouraged to come together to

define common needs and priorities. Thereafter, representatives from the clusters should be brought together in a plenary PPDF to share their priorities and dialogue with the board and other dialogue partners to agree on the collective priorities to be integrated into urban plans and policies.

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

Ad-hoc meetings may be convened as may be needed to review policy and regulatory proposals.

Meeting format: The agenda and meeting format should promote open dialogue and exchange of local knowledge, expertise, and evidence-based insights. The discussions should be informed by diagnostic reports, local economy assessments, urban area plans and sectoral studies, to ensure that the recommendations are grounded in local realities.

Minutes, action plan and follow-up: Minutes should be prepared after each forum, reporting on the main agreements and recommendations. The Minutes should be presented and considered during citizen fora during the preparation and review of the IDEP, the urban area annual strategic plan and budget estimates.

The urban manager is responsible for following up on actions by the board and for reporting back to the PPDF plenary on the board's actions and decisions. If interventions require action from the county government or other public agencies, the manager should coordinate with the relevant actors and provide updates.

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

Linkage to the citizen fora: As outlined in the **UACA (Amendment) Act, 2019**, urban boards are required to hold citizen fora, providing a platform where representatives of urban residents, the urban board, and relevant agencies can engage in dialogue on key urban development issues. These fora serve to discuss shared concerns, agree on goals, and set priorities. Membership includes representatives from business associations, registered associations of the informal sector, and other urban resident groups.

The priorities, resolutions, and submissions from the **PPDF** will be presented by accredited business association representatives at the citizen fora for further consideration by the urban board. This structured approach ensures that the collective views and interests of the private sector are effectively communicated and integrated into the broader citizen engagement process. See Annex 04: Suggested calendar for two annual forums aligned to the urban board planning and budgeting calendar

4. Capacity building and outreach

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

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

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

The board should raise awareness among businesses and provide training to business associations and clusters so they can engage effectively in municipal or city affairs. With support from the county government and MSEA¹², the boards should develop tools such as:

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

The urban manager is responsible for planning and budgeting the capacity-building activities for the urban board, administration, business associations, and clusters. This includes organizing training sessions and procuring consultants for specialized training in urban governance, public-private engagement, and governance structures for business associations that ensure inclusivity. This includes the development of tools to help them with governance, meeting facilitation, decision-making processes, member outreach, and record-keeping to ensure inclusive and effective participation.

5. Communication and feedback channels

Establishment of clear, accessible channels for timely, two-way communication and information dissemination is essential for effective engagement efforts. The boards should leverage technology to ensure efficient communication flow and equitable access to information. The urban manager should oversee regular communication with private sector organizations, ensuring timely updates and continuous engagement. Key information such as information on the public-private dialogue forum, the calendar, agenda, meeting notices, minutes and reports, information and diagnostic reports on the private sector in the urban area, should be published on the municipality's website.

6. Institutional arrangements and resource framework

While the specifics will be based on local context and institutional arrangements, the following institutional roles and resources are suggested to effectively operationalize the engagement framework:

Urban Board:

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

Urban Administration:

Urban Manager:

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

City/Municipal Department Heads and Officers responsible to implement actions relevant to their department as assigned.

Municipal Planner role

Key Relevant Skills and Competencies

- 1) GIS, data analytics and database management.
- 2) Advocacy, partnership building, and negotiation.

¹² MSEA is mandated to coordinate and harmonization of public and private sector initiatives for the promotion, development and regulation of micro and small enterprises.

- 3) Communication, stakeholder management, and organizing and coordinating PPDFs.
- 4) Economic analysis, strategy development, and investment promotion.
- 5) Financial instruments and management.

Operations and Finance

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

Coordination mechanisms

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

Partnerships:

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

Enablers for effective and sustained private sector engagement

1. **Policy commitment and accountability:** Adoption of the framework by the county executive. The framework should be anchored in and supported by county policy and legal frameworks and harmonized with local regulations. It should be integrated into county and urban plans, with clear roles and responsibilities and monitoring and performance management frameworks (i.e., with clear targets and indicators embedded in the performance contract of the CEC and urban area boards).
2. **Institutional commitment:** High-level political leadership is essential to champion engagement, ensure adequate, predictable budgetary resources, and hold all stakeholders accountable for implementing reforms and achieving outcomes. The board must commit to its role, delegate responsibilities, and support the urban manager.
3. **Collaboration mechanisms:** Effective collaboration between the county departments and urban boards is essential to operationalize the framework and facilitate capacity support, sharing of information and resources for seamless implementation. For example, setting common database structures across all county departments and revenue boards would facilitate data aggregation and sharing. This would improve engagement, not just for urban planning but also support other departments.
4. **Partnerships:** Establishing and strengthening partnerships with external actors such as the local chambers of commerce as key channels for engagement, to facilitate outreach, capacity building, diagnostic surveys and research. County Revenue Boards have data, data analytics and statistical capacity that can be tapped into to support the municipalities in carrying out diagnostics. Investment authorities conduct research, investment promotion and outreach activities.
5. **Allocate adequate resources and staff:** Plan for and ensure the allocation of adequate budgetary resources for engagement activities, and suitably skilled staff to support the urban manager. Technical capacity should align with the demands of private sector engagement and urban development.
6. **Technology and innovation:** Invest in digital tools for data management, mapping, and analytics to enhance the urban boards' capabilities for strategic engagement and evidence-informed decision making.
7. **Leverage private sector expertise and innovation through partnerships:** Develop partnerships and outsource tasks to the private sector to capitalize on their expertise. For example, digital technologies for database management and advanced data analytics, such as Geographic Information Systems (GIS) that enable layered data visualization through maps and charts, and communication technology to support outreach.

8. **Transparency and Accountability:** Set clear goals and objectives for the engagement process, supported by robust monitoring and performance frameworks. Integrate reporting into the urban board's strategic plan and ensure public access to all information. Ensure transparent, publicly accessible, and accountable communication channels for two-way information flow.
9. **Inclusive Representation:** Implement guidelines for diverse representation (e.g., 2/3 gender rule, inclusion of youth, persons with disabilities, refugees and other interest groups). Establish open, representative dialogue processes. Complement these forums with strong outreach and communication to avoid information gaps and asymmetry.
10. **Capacity Building:** Provide the necessary staff and resources for capacity building of the urban board, administration, and private sector.

Challenges, Risks and Mitigation Strategies

Effective private sector engagement is critical for fostering sustainable and competitive urban areas. However, this process presents several risks and challenges that need to be addressed for successful collaboration and outcomes. By proactively identifying and mitigating these risks, urban boards can create a favorable environment for private sector participation, driving innovation, efficiency, and inclusive growth. These challenges, risks and mitigation measures are summarized in Table 3.

Table 3: Challenges, Risks and Mitigation Measures

Risk	Mitigation Measures
Private Sector Database	
Unauthorized data access	• Implement robust data security measures, such as encryption and access controls. • Ensure compliance with relevant data privacy laws (e.g., Data Protection Act, 2019). • Regularly audit data access logs and security protocols.
Data privacy breaches	• Develop a comprehensive privacy policy, shared with all relevant stakeholders. • Educate staff and businesses on data privacy protocols. • Limit access to sensitive data and implement tiered permission levels.
Technological and operational risks: Technological failures and operational inefficiencies undermine engagement	• Invest in reliable technology systems and establish regular maintenance schedules. • Provide staff with appropriate training and necessary operational equipment.
Private Sector Diagnostic	
Procurement delay	• Ensure engagement activities including the diagnostic exercise is in the urban annual plan and budget of the fiscal year when it is expected to take place.
Limited access to accurate and up-to-date data from businesses	• Conduct preliminary data mapping exercises to identify data sources and address data gaps. • Collaborate with business associations to ensure accurate data collection. • Leverage existing databases such as business licensing systems and tax registries to access updated data.
Low response rates or poor participation from businesses	• Partner with business associations and chambers of commerce to build trust and encourage participation. • Offer incentives such as showcasing the benefits of diagnostic findings (e.g., improved business climate).

	• Use multiple data collection methods (e.g., surveys, focus groups, interviews) to ensure broad participation.
Lack of skilled personnel to carry out the diagnostic	• Invest in staff training on conducting diagnostics, data analysis, and stakeholder engagement. • Outsource specific technical components (e.g., data analytics) to private sector experts if necessary.
High costs of conducting the diagnostic	• Explore partnerships with development agencies and the private sector to share costs. • Break down the diagnostic into phases to spread costs over multiple years if necessary.
Diagnostic results not integrated into policy and planning	• Ensure that diagnostic findings are linked to specific policy and planning timelines, such as the preparation of the annual urban development plan. • Establish clear pathways for incorporating diagnostic results into decision-making processes.
Public Private Dialogue Forums (PPDF)	
Poor engagement by the private sector: Long-standing mistrust due to previous transactional, predatory relationships, or political, cultural/social disputes	• Conduct targeted communication and outreach campaigns focused on the benefits of engagement. • Establish transparent and accessible two-way communication channels and feedback loops. • Set up oversight, monitoring, and accountability mechanisms to ensure responsiveness. • Publish key information and reports to foster transparency and build trust.
Conflicts of interest between the private sector and urban board; or among private sector actors, delaying consensus	• Enhance the facilitation, negotiation, and analytical capacity of urban officers to manage and resolve conflicts. • Conduct thorough analysis and assessments to inform dialogues. • Engage external facilitation experts if necessary to mediate and ensure smooth discussions.
Resource risks: Inadequate financial and human capacity to conduct activities	• Identify staffing needs and capacity gaps for the PPDF and include them in the urban board's staff establishment plan. • Assign qualified and relevant staff to manage engagement activities. • Plan for financial and human resource allocation for capacity building. • Ensure that PPDF activities are incorporated into the urban board's annual plan and budget. • Integrate priority interventions identified in the forums into the urban board's annual strategic plan and budget.

Performance and accountability framework

A performance and accountability framework is essential for ensuring that resources are used efficiently and for building trust and confidence among stakeholders. With clearly defined targets, performance indicators and outcomes for each component of the engagement process. These requirements should be integrated into the board's performance management framework. This process provides a monitoring, Evaluation, Learning and reporting mechanism that promotes transparency and accountability for boards to track progress, learn, adapt and improve effectiveness. Annex 05 provides a sample results framework.

PSEF Considerations for Sustainability

1. **Ensure political leadership commitment:** Secure high-level political leadership to champion and advocate for effective engagement. Leadership must ensure the commitment of adequate, predictable budget resources and take responsibility for monitoring, supporting, and being accountable for the reform outcomes.
2. **Strengthen county-urban board collaboration:** Establish effective collaboration between the county and urban boards to facilitate the sharing of information, resources, and support necessary for seamless implementation.
3. **Allocate adequate staffing and technical capacity:** Plan and ensure the allocation of sufficient and skilled staff to support the urban manager. Technical capacity should align with the demands of private sector engagement and urban development.
4. **Invest in technology and innovation:** Invest in modern digital technologies for data management, mapping, and analytics to enhance urban boards' capacity for informed decision-making and strategic planning.
5. **Leverage private sector expertise and innovation through partnerships:** Develop partnerships and outsource tasks to the private sector to capitalize on their expertise, particularly in managing databases and advanced data analytics, such as Geographic Information Systems (GIS) that enable layered data visualization through maps and charts.
6. **Allocate resources for regular private sector diagnostics and dialogues:** Ensure resources are planned and allocated for the continuous conduct of private sector diagnostics and their regular reviews to maintain an updated understanding of the business environment and stakeholder needs.
7. **Embed political accountability in reforms:** Guarantee high-level political accountability for the successful implementation of reforms. This includes integrating targets and performance indicators into the county performance management framework, such as the performance contracts of County Executive Committee (CEC) members.

References

1. Business Registration Service: <https://brs.go.ke/entities-registered/>
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ANNEXES

Annex 01: Summary of the relevant legislation

Annex 02: Alignment and linkage to the urban governance regulatory framework

Annex 03: List of data/fields for the private sector database indicating the data already captured in the SBP application form and additional data suggested

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Annex 01: Summary of the relevant legislation

Legal instrument	Article/Section	Provision	Details of provision
Constitution of Kenya (2010)	Article 184	<i>Governance and management of urban areas and cities</i>	<i>National legislation on the governance and management of urban areas and cities shall provide for the participation of residents</i>
County Government Act (CGA), 2012	<i>Part VIII</i>	<i>Citizen participation</i>	Outlines the principles of public participation, the rights of citizens, requires for the establishment of modalities and platforms for citizen participation by county governments and all decentralized units of the county
	<i>Section 104</i>	<i>Obligation to plan and to promote public participation in the process</i>	Urban areas are designated as planning authorities and required to promote public participation in the process
	<i>Section 105</i>	<i>County planning units</i>	County planning units should ensure the collection, collation, storage and updating of data and information suitable for the planning process
	<i>Section 115</i>	<i>Citizen participation in county planning</i>	Requiring that public participation in county planning is mandatory; counties are required to develop laws, regulations and establish mechanisms as provided in Part VIII
Urban Areas and Cities (Amendment) Act, 2019	Section 11 (d)	<i>Principles of governance and management</i>	Requires the institutionalized active participation by its residents in the management of the urban area and city affairs
	Section 13	<i>Private sector representation on Boards of Cities</i>	On the composition Boards of Cities which are responsible for governance and management of urban areas provides for two of the nine members to be nominated by private sector organizations: (2)(b) an association representing the private sector in the area; (2)(c) a cluster representing registered associations of the informal sector in the area;
	Section 14	<i>Private sector representation on Boards of Municipalities</i>	On the composition of Board of Municipality provides for two of the nine members to be nominated by private sector organizations (3)(b) an association representing the private sector in the area; (3)(c) a cluster representing registered associations of the informal sector in the area;
	Section 21	<i>Powers of the boards of cities and municipalities</i>	(1)(g) to ensure participation of the residents in decision making and, in its activities, and programmes in accordance with the Schedule to the Act as provided in

			the County Governments Act, 2012 and any other national legislation on public participation
	Section 22	Citizen fora	Subject to the Second Schedule provides for urban residents to deliberate and make proposals on county and national policy and legislation, plans and budgets; and monitor the activities of officials and board members cities and urban areas. And for Urban boards to seek and receive petitions and representations from citizen fora on the management and administration of urban affairs within its jurisdiction and functions and make recommendations on issues raised for implementation and reporting by the Urban Manager on decisions made on the recommendation. Including on service provision, development plans (i.e., IDEPs) and budgets, policies and legislation.
	Second Schedule	Rights of, and participation by residents in affairs of their city or urban areas	Outlines the rights and duties of residents; requires that city or urban areas develop systems of governance, mechanisms, processes and procedures that encourage citizen participation in its affairs; apply resources and build capacity of urban residents to do so
	Section 45(1)		Three months before the commencement of each financial year, a board or town committee shall cause to be prepared estimates of the revenue and expenditure of a board or town committee for that year
Draft UACA Regulations, 2022	19 Fifth and Sixth schedules	Registration, accreditation, and clustering of business community within urban areas and cities	Guides the process for the urban boards to accredit and maintain a register updated annually of business associations operating within the specified urban area, city, municipality for the purpose of promoting consultation; to facilitate the process the business associations shall apply for accreditation as prescribed in the Fifth Schedule and Urban Board will issue a certificate of accreditation as prescribed in the Sixth Schedule once satisfied the association has meet the requirements which are proof of existence for two years, proof or registration by the competent, recognized body under the requisite law, proof of membership of at least 25% of the persons undertaking the business/economic activity under that relevant business area, active participation of its members in the management and governance of the association

	27	Promoting active citizenship and participation.	For purposes of promoting vibrant and active citizenship and participation in urban areas and cities, the Boards shall put in place measures to (a) map representative groups within the urban area or city; (b) set up appropriate platforms for engagement and participation; (c) empower residents through capacity development initiatives on urban development matters; and (d) set up community outreach programmes.
	31(1)	Citizen fora composition	The citizen fora shall comprise of (a) accredited neighbourhood associations in the area; (b) registered associations of the informal sector including market committees and public transport associations in the area; (c) the association representing the private sector in the area; (d) professional associations in the area; (e) the association of business community in the area; (f) Faith Based Organizations; and (g) any other entity that the Boards or the Committees may deem necessary. . These entities may participate as clusters in their respective organizations.
	32, 33		Provides for the convening of the fora, election and responsibilities of an executive committee. And the conduct of meetings
Public Financial Management Act (2012)	175	Budget and budget process for urban areas or cities	Requires urban boards involve the public in budget making processes. Provides the budget process for urban areas and cities i.e., the urban board shall prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates; and the public given the opportunity to participate in the process as per Second Schedule, Urban Areas and Cities (Amendment) Act, 2019
Access to Information Act, 2016	Sec. 4 and 5	On Right to information and disclosure of information by public entities	The Act guarantees the right of access to information held by public entities, including county governments. It ensures transparency and accountability in the governance processes by allowing citizens to access relevant information.
Data Protection Action, 2019	Part X1 Section 72	On offences of unlawful disclosure of personal data	The Act provides outlines offences related to unlawful disclosure of personal data and information
Public private partnerships Act, No 15, 2012	Section 19 and 20	Public Private Sector partnership on Section 19 and Section 20 Sector Diagnostic Study and Assessment	Public private partnerships Act, No 15, 2012 provides for the private sector engagement and undertaking diagnostic study of the local economy

			on Public Private Sector partnership and Section 20 Sector Diagnostic Study and Assessment
The County Licensing (Uniform Procedures) Act 2024	<i>Sec. 4e</i>	<i>Coding system</i>	The Act provides for Counties to establish and implement a system that designates different codes for the different categories of licenses issued by that authority.
County Assembly Standing Orders	PART XXVII	Public access to the county assembly and its committees	County assemblies have their standing orders that outline the procedures and mechanisms for public participation in the legislative processes. These orders provide guidance on how the public can engage with the assembly.
Relevant local county policies and legislation			Relevant county policies, act and guidelines guiding public participation, private sector engagement, land, trade, cooperatives, investment and revenue management.

Annex 02: Alignment and linkage to the urban governance regulatory framework

Private sector database, maintaining a register of accredited business association; outreach and capacity building of business associations. Purpose: Database on the private sector for analytical purposes; and to facilitate targeting, clustering for engagement and the implementation of relevant and targeted interventions.			
Alignment to urban governance framework	Purpose	Timing	Tools
UACA Draft Regulations, 2022, Regulation 19; Urban boards are required to accredit and maintain a register of accredited business associations for clustering of business community within urban areas and cities to facilitate engagement and service delivery Urban Boards are required to map representative groups within the urban area or city, set up platforms for engagement and participation and empower residents through capacity building and outreach programmes	1. Urban area private sector database includes administrative location, address (geo-referenced) , ownership, size, sector and industry, business activity - drawn from the county revenue department business licensing database 2. Used for analytical purposes and to cluster and convene private sector actors for engagement, planning and service delivery	Updated annually	GIS Software; data collection surveys, KNBS data – county statistics, economic surveys, industry statistics, business license register, land registry, KNCC, business & trade & professional associations. Partnerships with data analytic companies
Private sector diagnostics Purpose: Facilitates analysis of the local business environment, private sector needs, opportunities, and challenges and potential solutions to address bottlenecks (based on the four levers of competitive cities (World Bank, 2012)			
Alignment to urban governance framework	Purpose	Timing	Tools
CGA, 2012, Section 104, 105 PFMA, 2012, Section 175 Urban boards are required to prepare an Integrated Plan, and every year prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates and give the public the opportunity to participate as per CGA, 2012 Second Schedule As planning units, they are required to collect, store and update data and information suitable for the planning process	1. Informs the: - IDEP preparation and review, annual urban strategic plan and budget estimates - city/municipality spatial & land use plans, zoning plans - departmental strategic and implementation plans. 2. Informs the county CIDP preparation and review, county spatial plan, Sector Plans, ADP and CFSP (where sector priorities and ceiling are established), Urban (& other sector) Departmental Strategic Plans and Implementation Plans, county budget estimates, implementation, monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports	Every 3-5 years Reviewed and updated annually (through the PPD processes)	
Public Private Dialogue Forum – Platform for Policy Dialogue and Prioritization of Intervention Purpose: Creates an institutional platform for virtuous, inclusive and structured dialogue to meet specific objective. Engagements focused on the four policy pillars; or sector/industry-based; or issue-based convened as required			

Alignment to urban governance framework		Purpose	Timing	Tools
Urban Areas and Cities (Amendment) Act, 2019 21, 22, Second Schedule and the Regulations, 2022	Urban boards are required to ensure the participation of residents in decision making and in its activities and programmes; To establish and institutionalize active participation of its residents in the management of the affairs of urban areas and cities To create citizen for a as platforms to seek and deliberate on county and national policy, legislation, plans and budgets Second schedule outlines rights and duties of residents of urban area in city and urban areas and requires urban areas development systems of governance, mechanisms, processes and procedure to encourage citizen participation urban residents	1. The PPD minutes and resolutions informs: - urban planning and budgeting: - IDEP preparation and review, urban area annual strategic plan and budget estimates, - city/municipality spatial & land use plans, zoning plans - departmental strategic and implementation plans. - Urban area budget implementation reporting: quarterly budget implementation reports 2. Informs preparation and review of plans county: - CIDP preparation and review, county spatial plan, ADP and CFSP (where sector priorities and ceiling are established), Urban (& other sector) Sector Plans, Departmental Strategic Plans and Implementation Plans, county budget estimates - County budget implementation monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports	Quarterly Issue based convened when required	

Key:

ADP - Annual Development Plan

CBROP - County Budget Review and Outlook Paper

PS - Private sector

PSD – Private Sector Development

Annex 03: List of fields already in the SBP application form and additional fields suggested.

Field name	Capture in the SBP application	Data types
Name of business	Yes	
Business no (issued during licensing)	Yes	
Certificate of registration no	Yes	
Business ownership structure: sole proprietor, partnership, limited liability, other legal entity	No	Select from drop down list of different entity types: business name; private limited company; limited; company limited by guarantee; limited partnership; foreign company; trust; other legal entity
Gender of proprietor/majority shareholder		
Certificate of registration no	Yes	
Year of registration/incorporation	No	
Years in operation	No	Range of year: < 1 yr; 2 – 3 yrs; 4 - 5 yrs; 6 – 10 yrs; over 10 yrs
Business Permit no	No	
Date of permit issue	No	
Industry/sector (code)	Yes	Drop down list based on the KeSIC codes
Business activity (code)	Yes	Drop down list based on the KeSIC codes
Business activity description (code)	Yes	
Mailing Address: PO Box, Postal Code	Yes	
Phone number	Yes	
Email address	Yes	
Physical address	Yes	
Plot no	Yes	
County	Yes	Drop down list
City/Municipality	No	Drop down list
Sub county	No	Drop down list
Ward	No	Drop down list
Geo-location (GIS coordinates)	No	
Land zone (if any/if known)	No	Drop down list
No of employees	No	Drop down with options: Single individual/sole proprietor/trader; Less than 10 (micro); 10 – 49 (small); 50 – 250 (medium) Over 250 large
Total size of premises (m²)	No	
Property/land use data (ownership)	No	
Financial data (gross annual turnover for last year) - KES range	No	<500,000 (micro); 500,001 – 5 million (small); 5,000,001 – 100,000,000 (medium)
Business affiliation i.e., membership in trade/business/professional associations or cooperative	No	

Other licenses and permits for specific business activities	No	
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Annex 04: Suggested calendar for two annual forums aligned to the urban board planning and budgeting calendar

PPDF sessions	Agenda items	Statutory requirements and timelines
PPDF PLENARY ONE Held by end of July	Input into preparation of Urban Integrated Development Plan (IDEP) during the first year of the board's election	Urban Board prepares and adopts an IDEP within the 1 st year of its election, which can be reviewed and amended during the board's term. It remains in force until the new plan is adopted by the succeeding committee UACA (Amendment) Act, 2019 Section 39
	Input to the annual review of IDEP	
	Review of the past FY PPDF action plan and urban board implementation report	
	Input into the urban board/urban departmental annual work plan	
PPDF PLENARY TWO Held by end of February	Mid-year review of the PPDF action plan and urban board implementation report	
	Input into city or municipality annual strategic plan	Prepared as basis for the annual budget - revenue and expenditure estimates (UACA (Amendment) Act, 2019, Section 36(1)(d)(iv) PFMA, 2012, Section 175
	Input into the urban board annual budget (revenue and expenditure) estimates	UACA (Amendment) Act, 2019, Section 20(1)(l): Prepared and submitted to the county treasury for consideration & submission to the CA for approval as part of the county appropriations bill UACA (Amendment) Act, 2019, Section 45(1): Prepared at least 3 months prior to start of FY PFMA, 2012, Section 175
AD-HOC FORUMS AS REQUIRED	Urban area spatial plans; regulatory instruments, development control, urban policy development and review	

Annex 05: Sample results framework.

Goal	“To secure, well-governed, competitive, and sustainable urban areas and cities that contributes to the realization of the broader national development goals articulated in the Constitution of Kenya (2010) and Vision 2030”							
Outcome	Competitive urban area which attracts and retains private sector investment and growth							
	Indicator	Definition	Baseline	Target	Data Source	Frequency	Responsible	Reporting
Result/ Output 1	Organizing the private sector for effective engagement							
Activity 1.1.								
Activity 1.2.								
Result/ Output 2	Private sector diagnostic conducted to inform urban policy and planning for competitive urban areas							
Activity 2.1.								
Activity 2.2.								
Result/ Output 3	Public private dialogue forums established							
Activity 3.1.								
Activity 3.2.								
Result/ Output 4	Capacity building, outreach, communication and feedback channels established							
Activity 4.1.								
Activity 4.2.								