

Private Sector Engagement Framework (PSEF) for Engineer Municipality

November 2025

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Foreword

Engineer Municipality stands at a defining moment in its growth trajectory. As an emerging urban centre with expanding commercial activity, increasing population, and rising investment interest, the need for a strong and structured partnership between the municipality and the private sector is more critical than ever. Meaningful collaboration will determine how effectively we shape a modern, competitive, and inclusive urban economy for present and future generations.

The Private Sector Engagement Framework (PSEF) serves as a blueprint for this partnership. It establishes a formal platform for dialogue, response-driven policy review, joint investment planning, and innovative approaches to municipal service delivery. Through this framework, the Municipality strengthens its capacity to attract investment, unlock local enterprise growth, and deliver quality urban infrastructure and services.

This framework anchors private sector participation at the centre of our development agenda, complementing the Municipality's Integrated Development Plan (IDeP) and aligning with national and county priorities—including Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Sustainable Development Goals (SDGs). It represents a strategic step toward creating an enabling business environment where enterprises can thrive, youth can innovate, and communities can prosper.

As Chairperson of the Municipal Board, I reaffirm our commitment to implementing this framework and fostering a business-supportive ecosystem grounded in transparency, accountability, and partnership. Together with our private sector collaborators, community groups, development partners, and citizens, we will unlock the full economic potential of the Municipality—building a vibrant, resilient, and opportunity-rich urban economy for all.

Preface

The private sector forms the foundation of socio-economic growth within the Municipality — powering enterprise, creating employment, and supporting household livelihoods across urban and peri-urban communities. Historically, engagement between the private sector and the municipality has centered largely on regulatory processes such as licensing, fee payment, compliance, and enforcement. While important, such interactions have not fully leveraged the innovation, investment capacity, and development potential that the private sector brings.

The Private Sector Engagement Framework (PSEF) provides the platform to shift this dynamic. It establishes a structured, participatory, and transparent mechanism for continuous engagement between the Municipality and private sector actors. Beyond regulatory interaction, it promotes joint planning, shared accountability, co-investment in infrastructure and services, and inclusive economic growth. Notably, it emphasizes equitable participation — ensuring that women, youth, and persons with disabilities benefit meaningfully from municipal development and market opportunities.

Implementation of the framework will be driven locally through the Municipal Board, working closely with county departments, business associations, cooperatives, MSMEs, civil society, and development partners. I invite the private sector to align operations, investment priorities, and collaborative initiatives

within this framework for a more coordinated and impactful urban development agenda.

The Municipality is strategically positioned to harness growth opportunities in manufacturing, agro-processing, trade, construction, transport, digital innovation, and green energy. Through strengthened collaboration, we will create an enabling business environment that attracts investment, promotes enterprise growth, and improves service delivery for our residents. Together, we will build a progressive and resilient municipality that reflects the aspirations and potential of its people.

Municipal Manager
Engineer Municipality

Acknowledgements

The development of this Private Sector Engagement Framework (PSEF) for **the Municipality** has been a product of extensive consultation, dialogue, and shared commitment to improved urban governance and economic transformation.

The Municipality extends sincere appreciation to:

- The Municipal Board, whose leadership and coordination made it possible to convene stakeholders and guide the process.
- Private sector actors including manufacturers, traders, real estate developers, MSME associations, cooperatives, transport groups, and financial institutions, whose insights, challenges, and proposals shaped the priorities in this framework.
- The Kenya National Chamber of Commerce and Industry (KNCCI – Nyandarua Chapter) and other business bodies for their valuable contributions and technical perspectives.

- Development partners, particularly the Kenya Urban Support Programme (KUSP II), for providing technical advisory support throughout the formulation of the framework.
- Civil society organizations, CBOs, and special interest groups, for ensuring inclusivity, sustainability, and social equity remain central to private sector engagement.
- The Technical Working Committee drawn from the Municipality and the Department of Lands, Housing, Urban Development & Trade, for steering the drafting, consolidation, and technical refinement of this document.

This framework is a shared achievement — reflecting the collective vision, voices, and aspirations of the people, businesses, and leadership of **the Municipality**.

Acronyms and Abbreviations

Acronym	Meaning
BETA	Bottom-Up Economic Transformation Agenda
CIDP	County Integrated Development Plan
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
ICT	Information and Communication Technology
KES	Kenya Shillings
MEL	Monitoring, Evaluation, and Learning

Acronym	Meaning
MoU	Memorandum of Understanding
MSE	Micro and Small Enterprises
NGO	Non-Governmental Organization
PFM Act	Public Finance Management Act, 2012
PPP	Public–Private Partnership
PPD	Public–Private Dialogue
PSEF	Private Sector Engagement Framework
SDGs	Sustainable Development Goals
SME	Small and Medium Enterprises
TVET	Technical and Vocational Education and Training
UACA	Urban Areas and Cities (Amendment) Act, 2019

Definitions of Key Terms

Term	Definition
Private Sector	Refers to businesses and organizations that are privately owned and operated, including SMEs, cooperatives, informal businesses, and large corporations, which play a critical role in service delivery, investment, and innovation within municipalities.

Term	Definition
Public-Private Dialogue (PPD)	Structured engagement platforms that bring together municipal boards, county governments, private sector actors, and citizens to discuss and co-create solutions for urban development.
Public-Private Partnership (PPP)	A contractual arrangement between the public sector (county or municipality) and private sector actors for the delivery of public infrastructure or services, sharing risks, investments, and rewards.
Corporate Social Responsibility (CSR)	Voluntary contributions by private sector organizations toward social, environmental, or economic development, aligned with municipal priorities.
Citizen Forum	A legally mandated participatory platform under the Urban Areas and Cities Act, 2019, where residents and private sector representatives contribute to decision-making in municipal governance.
Monitoring, Evaluation & Learning (MEL)	A systematic process of tracking implementation, assessing results, and capturing lessons to improve future private sector engagement efforts.
Engagement Scorecard	A monitoring tool used to evaluate and publicly communicate the performance of municipalities and private sector actors in fulfilling their commitments under the PSEF.
Blended Finance	A financing approach that combines public funds, donor contributions, and private capital to fund development projects in municipalities.
Stakeholder Mapping	A systematic process of identifying, classifying, and prioritizing actors (public, private, and civil society) for effective engagement and participation in governance.

Objectives of the Municipality PSEF

The the Municipality Private Sector Engagement Framework (PSEF) seeks to:

- **Provide a structured platform for collaboration** between the Municipality, businesses, industries, investors, and development partners to jointly advance urban development.
- **Institutionalize Public–Private Dialogue (PPD)** as an ongoing practice that builds trust, transparency, and mutual accountability between municipal leadership and the private sector.
- **Accelerate infrastructure development and service delivery in Engineer** through Public–Private Partnerships (PPPs), long-term investment vehicles, and innovative financing models.
- **Stimulate job creation, enterprise growth, and local economic development (LED)**—with focus on manufacturing, agri-business, construction, ICT, real estate, hospitality, and transport sectors operating in the Municipality.
- **Establish a Monitoring, Evaluation & Learning (MEL) structure** to track progress, document outcomes, and continuously improve engagement processes for greater impact.

Principles Guiding the Municipality PSEF

1. Legal and Policy Alignment

All engagements fully comply with the Constitution of Kenya, the Urban Areas and Cities Act, municipal bylaws, and County policies guiding investment, planning, and service delivery.

2. Purpose-Driven Engagement

Every engagement is outcome-based, designed to generate actionable commitments, implementation plans, and measurable results benefiting the municipality's residents and enterprises.

3. Inclusivity and Equity

Participation opportunities must be open, accessible, and fair—ensuring

representation of MSMEs, youth, women, PWD-owned businesses, cooperatives, traders, transport operators, and industrial firms.

4. Intergovernmental Collaboration

Engagement processes align with devolved governance mandates and encourage collaboration between the Municipality, Nyandarua County, national agencies, and regulatory authorities.

5. Transparency and Accountability

Decisions, partnerships, agreements, and resource commitments will be publicly communicated through municipal platforms, strengthening integrity and public trust.

Key Engagement Strategies for the Municipality

1. Stakeholder Mapping and Targeted Inclusion

Comprehensive identification of manufacturers, traders, processors, real estate players, SACCOs, small businesses, financial institutions, and large investors operating or seeking to invest within the Municipality.

2. Formalized Dialogue Platforms

Establishment of quarterly municipal-private sector roundtables, sector working groups, and a digital engagement portal to enable continuous consultation and feedback.

3. Investment and Co-Financing Partnerships

Mobilizing private capital through PPPs, CSR collaboration, co-financing for service infrastructure (roads, water, waste, markets), and incentives for industrial and commercial expansion.

4. Regulatory Alignment and Enabling Policy Environment

Review and improvement of licensing processes, land use planning, approvals, and taxation structures to attract new investors and scale existing businesses in the Municipality.

5. Capacity Building and Knowledge Transfer

Strengthening capacity of municipal officers, board members, SMEs, and

business associations to engage meaningfully in PPPs, contract management, and policy dialogue.

Expected Outcomes for the Municipality

- Strong, institutionalized collaboration between the Municipality and private sector actors.
- Increase in industrial investments, business expansion, and capital inflows supporting municipal revenue growth.
- Improved service delivery in roads, water, waste management, street lighting, markets, housing, and urban mobility.
- Enhanced municipal credibility through predictable, transparent decision-making and participatory governance.
- Sustainable and inclusive urban growth aligned with SDGs, Kenya Vision 2030, CIDP III, and Urban Development Plans for the Municipality.

Implementation and Monitoring for the Municipality

Implementation will run over a **five-year horizon**, operationalized through:

- The Municipal Board and Technical Committees
- County policy direction, budgeting, and planning cycles
- Strategic partnerships with development agencies, PPP investors, and business associations

Performance tracking will rely on:

- Municipal engagement scorecards for accountability
- Annual progress reviews and public disclosure forums
- Learning and adaptation frameworks informed by stakeholder feedback and evidence

Chapter One: Introduction

1.1 Background

Kenya's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) recognize the private sector as a central driver of economic growth and urban transformation. In Nyandarua County, **Engineer Municipality** stands out as a rapidly growing commercial, industrial and agricultural service centre. The municipality connects high-productivity agricultural zones in Kinangop to external markets, value addition chains, transport corridors, and retail enterprises—making it a strategic hub within the regional economy.

Rapid urbanization in the Municipality continues to place increasing pressure on infrastructure, housing, water supply, sanitation, solid waste management, spatial planning, and local business support systems. Meeting these rising demands requires more than public financing; it demands structured collaboration between the municipality and private sector actors who bring in capital, innovation, technology, and operational expertise.

Municipal Boards, established under the **Urban Areas and Cities (Amendment) Act, 2019**, mandate municipalities to facilitate inclusive participation by residents, civil society, and the business community in governance and service delivery. Despite this legal foundation, most municipal-private interactions remain

informal, regulatory, or ad hoc, with limited coordinated platforms for structured long-term engagement.

This **Private Sector Engagement Framework (PSEF) for Engineer Municipality** provides a systematic approach for mobilizing private sector energy, investment, innovation, and enterprise development towards inclusive and sustainable urban development. It seeks to institutionalize credible engagement pathways that contribute to service efficiency, resource mobilization, employment creation, infrastructure development, and a thriving municipal economy.

1.2 Gender Inclusivity

Gender inclusivity remains a cornerstone for equitable and sustainable municipal development. As the Municipality continues to expand, it must ensure that urban planning, public facilities, and service delivery respond to the needs of **women, men, youth, persons with disabilities, and the elderly**.

Historically, women and marginalized groups in Kenya have experienced constrained access to economic spaces, public amenities, business financing, and decision-making. A gender-responsive urban environment transforms this by ensuring secure, accessible, and economically enabling spaces for all.

Why Gender Inclusivity Matters in the Municipality

1. Safety and Accessibility

Proper lighting, well-marked walkways, accessible public transport, and secure market zones enhance safety and mobility—especially for women and girls—supporting their participation in schools, workplaces and evening trade.

2. Economic Empowerment

Women play a dominant role in small trade and agricultural value chains in the Municipality. Providing child-care facilities, affordable stalls, safe water

points, and sanitation facilities expands their business capacity and increases household incomes and municipal own-source revenue.

3. Health and Sanitation

Gender-sensitive sanitation including menstrual hygiene facilities, disability-friendly toilets, and clean water access empowers women and girls to operate businesses, attend school and participate fully in civic and social life.

4. Inclusive Decision-Making

Representation of women, youth, and PWDs in the Municipal Board, planning committees, markets associations and business forums ensures development priority-setting reflects community realities and reduces inequality.

5. Social Cohesion and Community Well-being

Inclusive parks, trading areas, sports spaces and cultural venues build safer, more cohesive communities and reduce risks of gender-based violence.

6. Mobility and Care Economy Needs

Women often handle multi-purpose travel for caregiving, shopping and work. Safe pedestrian linkage paths, feeder roads, and affordable transport systems reduce daily time burdens, increasing productivity and quality of life.

Gender Inclusion Commitments for the Municipality

- Mainstream gender in the municipal budgeting, planning and policy processes.
- Allocate resources for gender-responsive infrastructure such as safe markets, public lighting, sanitation facilities and child-care units.
- Strengthen representation of women and youth in municipal governance forums and private sector engagement platforms.
- Develop indicators for monitoring progress on gender inclusion across service areas.

- Promote mentorship, business incubation, and digital skills support for women- and youth-led enterprises.

Integrating gender inclusivity into this PSEF ensures that public–private collaboration benefits all residents equitably—unlocking a more productive, fair, and resilient urban economy in the Municipality.

1.3 Rationale for Public–Private Engagement

Public participation is a constitutional requirement in Kenya, and private sector engagement is essential to accelerate municipal transformation.

The private sector contributes through:

- Job creation and revenue expansion
- Capital mobilization for infrastructure development
- Technology transfer, innovation and skilled expertise
- Increased competitiveness and market opportunities
- Expansion of the municipal tax base

For the Municipality, structured engagement will:

- Create an enabling business environment
- Improve urban infrastructure and service delivery
- Increase investor confidence and attract new enterprise
- Enhance municipal revenue generation and development financing
- Foster transparency, accountability and mutual trust

Although the Urban Areas and Cities (Amendment) Act, 2019 mandates citizen forums including the business community, structured operational guidance is still lacking. This PSEF fills that gap by defining the engagement models, platforms and partnership pathways for **the Municipality**.

Chapter Two: Legal and Policy Alignment

2.1 Introduction

This Private Sector Engagement Framework is anchored in the legal, constitutional and policy instruments governing devolved governance in Kenya. Its objective is not to introduce new governance systems, but to activate and operationalize existing laws, ensuring that **the Municipality** meaningfully collaborates with private sector players, civil society, and development partners.

2.2 National Legal Frameworks

1. Constitution of Kenya, 2010

Upholds transparency, accountability, equity, public participation and inclusivity (Art. 10, 174, 232). These principles legitimize municipal-private partnerships.

2. County Governments Act, 2012

Section 91 requires counties to establish forums for engaging non-state actors—including private investors and entrepreneurs.

3. Urban Areas and Cities (Amendment) Act, 2019

Establishes Municipal Boards and Citizen Forums with mandatory representation from the private sector.

4. Public Finance Management (PFM) Act, 2012

Provides the basis for public-private financing of development projects including PPPs.

5. Access to Information Act, 2016

Promotes transparency by granting citizens and businesses access to public documents, contracts and procurement plans.

2.3 Sectoral Support Laws

- **Public Procurement and Asset Disposal Act, 2015** – enables fair, competitive access to municipal contracts.
- **Public Private Partnerships Act, 2021** – supports collaborative financing of municipal infrastructure.
- **Business Registration Service Act, 2015** – improves business licensing, supporting compliance and investment.
- **Investment Promotion Act, 2004 (Revised 2012)** – promotes private sector investment incentives.
- **Public Audit Act, 2015** – ensures accountability in use of public and partnership funds.
- **Public Service Values and Principles Act, 2015** – ensures ethical conduct in public-private dealings.
- **Public Health Act (Cap 242)** – guides private partnerships in sanitation, waste, water and hygiene.

- **EMCA, 2015 (revised)** – enforces environmental safeguards for development approvals.
- **Physical and Land Use Planning Act, 2019** – regulates land-use planning and development control.
- **Climate Change Act, 2016** – encourages partnerships in renewable energy and green urban systems.
- **Micro and Small Enterprises Act, 2012** – strengthens MSME integration into municipal markets and industry.
- **PFM (County Governments) Regulations, 2015** – guides municipal asset financing and grant oversight.

2.4 County and Local Alignment

- **Nyandarua County Public Participation & Civic Education Act, 2016** – establishes structured mechanisms for citizen and private sector engagement.
- **County Integrated Development Plan (CIDP)** – identifies development priorities requiring private partnership, especially agribusiness, markets, roads, housing and green energy.
- **Nyandarua County Spatial Plan** – guides zoning, land use, infrastructure development and investment corridors.
- **Municipal Charter & Gazette Notice No. 4698 (19 April 2024)** – devolves functions to the Municipality including solid waste management, markets, water, and infrastructure, enabling partnerships.

2.5 Alignment with National & Global Agendas

Agenda	Alignment to the Municipality
Vision 2030	Urban growth through private sector-led industrial and commercial transformation

Agenda	Alignment to the Municipality
BETA	Growth in MSMEs, agriculture, housing, and urban infrastructure
UN SDGs (11 & 17)	Sustainable cities supported through public-private collaboration
AU Agenda 2063	Encourages innovation, investment and inclusive urban development

Together, these instruments establish a strong legal foundation for this PSEF, positioning Engineer Municipality to collaborate confidently and transparently with private actors in delivering sustainable urban services and growth.

Chapter Three: Geographic and Socio-Economic Context

3.1 Introduction

A proper understanding of the geographic and socio-economic landscape of the Municipality is essential in designing a Private Sector Engagement Framework (PSEF) that strengthens investment, enhances service delivery, and unlocks urban growth. Geography determines settlement patterns, infrastructure layouts, land use suitability, and investment corridors, while socio-economic characteristics

define the profile of enterprises, labour markets, consumption patterns, and emerging commercial opportunities.

The Municipality stands as one of Nyandarua County's fastest-growing economic nodes, shaped by expanding agricultural markets, rising real estate development, increasing financial service penetration, and a strategically positioned transport network connecting southern Nyandarua to Nyeri, Murang'a, Nairobi and Nakuru.

3.2 Geographic Profile

Engineer is located on the southern edge of Nyandarua, nestled along the Aberdare slopes. The region is defined by:

Geographic Attribute	Description
Location	Southern Nyandarua, bordering the Aberdare Ranges
Terrain	Fertile high-altitude land, deep volcanic soils
Temperature Range	10–20°C, cool and productive
Rainfall	Reliable year-round, supporting intensive farming
Accessibility	Connected to Njabini, Ndunyu-Njeru and Naivasha through key road corridors

The municipality's natural environment supports high agricultural output, dairy farming, potato production, horticulture, and pasture growth. This positions the municipality as a competitive agro-industrial and food processing hub.

3.3 Socio-Economic Landscape

Engineer Municipality is home to a dynamic enterprise ecosystem comprising small-scale traders, agro-processors, retail outlets, transport operators, hospitality enterprises, SACCOs, and emerging manufacturing units. With an **estimated**

population of 114,041, the municipality is experiencing rapid urbanization, youth-led entrepreneurship, and increased private investment interest.

Key economic pillars include:

Sector	Key Activities
Agribusiness	Dairy farming, potatoes, maize, horticulture
Trade & Markets	Retail shops, fresh produce trade, wholesale distribution
Manufacturing	Small-scale fabrication, carpentry, welding, milk processing
Services	Hospitality, transport (bodaboda, matatu), financial services
Construction	Hardware outlets, building materials supply, real estate growth

3.4 Development Opportunities in the Municipality

The Municipality holds unique growth potential in the following areas:

- **Agro-processing industries** — dairy chilling, potato processing, animal feeds, horticulture packaging
- **Renewable energy solutions** — biogas, solar mini-grids for industries and estates
- **Hospitality expansion** — hotels, conference facilities, accommodation service
- **Light manufacturing** — metal works, carpentry, mechanized fabrication
- **Industrial sheds and cluster parks** for MSMEs
- **Market modernization** including cold chain, warehousing, aggregation hubs

3.5 Strategic Implications for PSEF

The PSEF for the municipality will therefore prioritize:

- Agro-industrial value addition and processing zones

- Formalization and strengthening of MSMEs through cooperatives & incubation hubs
- Private sector-driven renewable energy and green innovations
- Infrastructure partnerships — markets, roads, water supply, ICT networks
- Investment attraction for manufacturing, hospitality and logistics

The socio-economic profile confirms that the Municipality is primed for private sector-led industrialization and agribusiness transformation.

Chapter Four: Institutional & Governance Structures

Effective implementation of the PSEF requires clearly defined roles, coordination mechanisms, and stakeholder engagement pathways. This chapter presents the institutional framework for private sector collaboration within the Municipality.

4.0 Key Actors Supporting PSEF Implementation in the Municipality

Actor	Roles in the Municipality
National Government Institutions	KNBS for enterprise classification and business data; MSEA for MSME formalization and capacity building;

Actor	Roles in the Municipality
	State Departments for Trade, Housing & Urban Development for policy alignment and resource mobilization.
County Government of Nyandarua	Sets policy direction, allocates resources, supports infrastructure delivery, and mainstreams PSEF into CIDP, ADP, and other county frameworks.
CECM for Trade, Industrialization & Cooperatives	Facilitates MSME support programs, industrial linkages, cooperative strengthening, and investment promotion.
CECM for Lands, Housing & Urban Development	Ensures zoning, land-use planning, and urban infrastructure is aligned to private sector needs.
Municipal Board	Anchor institution for PSEF rollout; guides integration into IDeP, budget cycles, Annual Development Plans and investment pipelines.
Municipal Manager	Coordinates stakeholder mapping, business data consolidation, PPD Forums, and reporting.
Private Sector Actors	Formal enterprises, informal traders, SACCOs, cooperatives, agro-processors, transport associations, hospitality operators, manufacturers.
Umbrella Business Bodies (KNCCI, KAM, KEPSA)	Provide policy advocacy, business linkage networks, lobbying, investment support.
Research Institutions & TVETs	Provide technical support, skills development, innovation, research data.
Development Partners	UN-Habitat, JICA, GIZ, USAID for funding, advisory support, technical capacity.

Actor	Roles in the Municipality
Residents & Traders	Support urban governance, market management, safety, clean-up drives.
Associations	

PSEF Benefits to the Municipality

- *Structured business-government dialogue and trust restoration*
- Improved investment inflows and agro-industrial growth
- Inclusive enterprise support targeting youth, women & PWDs
- Streamlined business licensing & digital registration pathways
- Stronger manufacturing and processing capacity
- Evidence-based planning using business mapping data

Implementation Priorities for the Municipality

- *Industrial sheds for MSME manufacturing clusters*
- *Agro-processing hubs for dairy, potatoes & horticulture*
- *Market modernization with cold storage & aggregation centres*
- *Public-Private Partnerships for renewable energy access*
- *Digitalization of permits & business registry systems*
- *Hospitality enhancement: lodging, events, tourism services*

Coordination Mechanism for the Municipality PSEF

Level	Coordination Approach
County Level	County PSE Steering Committee bringing together CECMs, KNCCI, development partners.
Municipal Level	Municipal PSE Committee (MPSEC) chaired by Municipal Manager, engaging traders, cooperatives & investors.
Monitoring & Reporting	Anchored in ADP & Annual Progress Reports; informed by SBP databases, business mapping & PPD resolutions.

Sustainability Measures

- Annual municipal budget allocation for PSEF activities
- MoUs with KNCCI, cooperatives, transport unions, processors
- Integration with County Investment Promotion Strategy
- Green and inclusive enterprise programs targeting women & youth
- Institutionalization of quarterly Public-Private Dialogue Forum (PPDF)

Conclusion

The Municipality is positioned as a high-growth agro-industrial and commercial hub. By operationalizing this PSEF structure — through coordinated stakeholder engagement, strong institutional linkages, enabling regulatory systems, and targeted investment incentives — the Municipality will unlock sustainable urban growth, create employment, enhance value addition, and stimulate private sector-driven prosperity for years ahead.

4.1 Governance Anchors

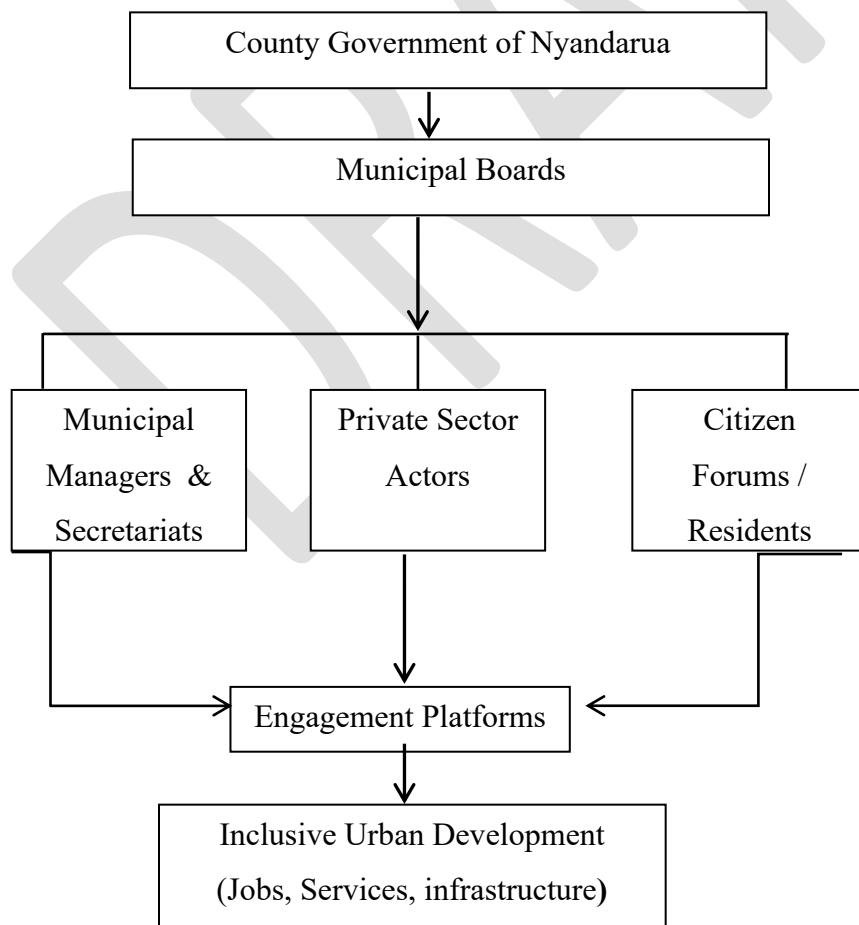
1. **County Government of Nyandarua** – provides overall policy direction, allocates resources, and monitors performance through the County Assembly.
2. **Municipal Board** – operationalizes county policies at municipal level, ensures compliance with the **Urban Areas and Cities Act, 2019**, and convenes stakeholder forums.
3. **Municipal Manager & Secretariat** – execute daily functions, coordinate engagements, and provide technical support for municipal-private sector collaboration.
4. **Private Sector Actors** – include formal businesses, SMEs, cooperatives, financial institutions, farmers' associations, and informal traders.
5. **Citizen Forums / Resident Associations** – mandated by law to represent residents and private sector voices in urban governance.

6. **National Agencies & Development Partners** – provide regulatory guidance, funding, and technical assistance.

4.2 Interaction Mechanisms

- **Public-Private Dialogue (PPD) Forums** – Bi-annual structured platforms for engagement.
- **Municipal Development Planning Committees** – ensure private sector inputs in planning and budgeting.
- **Thematic Working Groups** – formed around key sectors (agriculture, trade, infrastructure, environment).
- **Joint Monitoring Committees** – track performance of PPP projects and service delivery contracts.

Institutional Diagram



- The **County Government** provides oversight.
- The **Municipal Board** anchors engagement.
- **Private Sector** and **Citizen Forums** link through structured **Engagement Platforms** (dialogues, committees, PPPs).
- The **Municipal Manager** acts as coordinator.
- Outcome: **inclusive development** (jobs, improved services, infrastructure growth).

Public-Private Dialogue (PPD) Municipalities will bring together public and private secretariats. In the case of the private secretariats, they are sector specific, while in the case of the municipal, there is one secretariat that is hosted within the municipality

4.3 The Secretariats

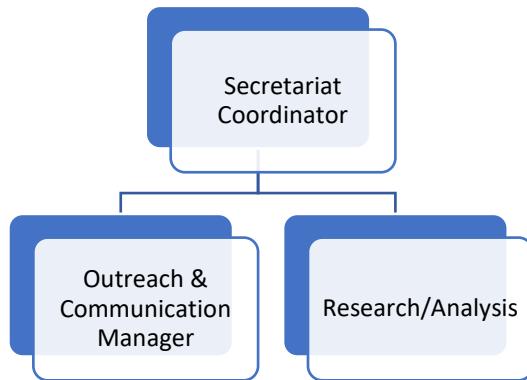
4.3.1 About the PPD secretariats

The Municipal Secretariat will coordinate and facilitate dialogue between the Municipality and private sector stakeholders. Its role will be to:

- Structure dialogue,
- Support research and evidence-based policy formulation,
- Monitor implementation of agreed reforms, and
- Disseminate information to stakeholders.

Secretariats will be institutionalized within existing BMOs and cooperatives to build sustainability.

Secretariat Structures



4.3.2 Sector secretariats

Sector secretariats will be issue-specific and focus on agriculture, trade, infrastructure, and services. They will:

- Facilitate sector-specific dialogue.
- Provide technical support and advocacy.
- Link grassroots actors (farmers, traders, SMEs) with municipal decision-making.

They will not have policy-making powers but will influence reforms through structured proposals.

4.3.3 The Role of the Working Groups and Steering Committee of the Secretariat

- Working Groups (WGs): Technical-level meetings organized by sector (e.g., agriculture, infrastructure, enterprise).
- Steering Committee: Senior-level body providing oversight and direction.
- Secretariat: Coordinates WGs, provides research, and ensures inclusivity.

Focus Areas for WGs include:

1. Institutions and Regulations: Local taxes, business licensing, and compliance.
2. Infrastructure and Land Services: Markets, feeder roads, water, waste management.
3. Skills and Innovation: Training, youth employment, ICT adoption.
4. Enterprise Support and Finance: SME financing, SACCO strengthening, investment promotion.

Implementing the structure requires a clear process that brings the public and private sector together in dialogue. The secretariats will be required to undertake the routine tasks of managing meetings in addition to the more complex role of constant stakeholder engagement. The PPD structures suggested above is actionable as municipal has a framework of committed BMOs with sector-focused associations leading the PPD secretariats. The BMOs will need to take responsibility for coordinating private sector input into the PPD process. This task requires a high level of professional commitment towards implementing the PPD process.

4.3.3.1 PPD Sector Secretariats' Activities

There are a number of different PPD activities that the secretariat may have to manage. In all instances it is the responsibility of the secretariat to ensure that initiatives and issues emanating from the private sector are appropriately identified, broadly representative, adequately researched and presented to the Municipal in a focused, solutions-orientated manner that utilizes standard tools.

As part of their daily operations, the PPD sector secretariats will work to monitor the progress on the issues that were raised, monitor implementation of decisions made during the PPD and disseminate information to relevant stakeholders in the business community, the municipal board and development partners.

4.3.3.2 PPD Sector Secretariats Tasks and Responsibilities

The following are tasks and responsibilities that the sector secretariats will undertake:

1. Promote a strong private/public partnership between the private sector and the municipal.
 - a. Promote the Municipal sector PPDs within the business community and raise its professional and political profile.
 - b. Act as an honest broker in the best interest of the private sector to foster good working relations between the business groups and government counterparts to support and promote policy initiatives that emanate from the municipal
 - c. Conduct follow-up dialogue with the Government Counterparts on the various issues raised at meetings conducted under the sector PPD process.
2. Work closely with the government counterparts, business groups and donors to organize any plenary meetings that may be organized to bring all sector PPDs together for a PPD Forum meeting.
3. Act as a resource centre and single contact point for the private sector. Coordinate inputs from and work with individual business groups on the identification of policy issues and preparation of recommendations to the municipality.
 - a. Provide necessary support to enable better participation of the sector PPDs to pursue common issues of interest to the private sector.
 - b. Coordinate the activities of the working groups and input to the regular PPD meetings to ensure that the interests of all private sector players are fairly and adequately reflected in all PPD activities.
 - c. Monitor progress and disseminate information to all participants.
 - d. To have strong research and analysis capabilities so as to provide

evidence-based agendas to the sector PPD for working groups and other activities.

- e. Commission specialized research or consultancies in complex issues when needed, provided that budgetary and leadership approvals allow such an undertaking

4.3.3.3 Secretariat Staff

Minimum staffing will include:

- 1 Coordinator,
- 1 Analysts and
- 1 Communication manager

As the PPD matures, additional specialists (economists, lawyers, researchers) may be engaged.

The Secretariat Coordinator Functions:

- The role of the coordinator is to enable participation into the sector PPDs and to manage outputs and support the implementation of decisions.
- The coordinator, regardless of sector PPD, will play a critical role in coordinating, facilitating, and administering the PPD process.
- The coordinator will also be in a position to facilitate public and private sector counterparts to work on cross-cutting strategic issues that are relevant for the sector and, potentially, cross-sector PPD.
- The coordinator will facilitate the dialogue between the municipal and private sector on private sector development (PSD) issues and on the progress of reforms. This includes working closely with development partners to ensure that within their economic growth programmes, the issues of the sector PPDs are addressed in line with the priorities agreed within the sector PPDs.

The Secretariat staff will be responsible for the following functions:

Project management

- Participate in the elaboration or adjustment of Municipal PPD sector forum framework or mandate.
- Lead the implementation of the PPD activities.
- Facilitate dialogue in liaison with the municipality and the private sector including MSMEs.
- Share best practices, knowledge and identify synergies with other PSD activities in Municipal.
- Develop evidence-based analysis to support the PPD agenda.
- Coordinate with donors on technical assistance related to PPD activities.

Facilitation

- Ensure smooth functioning and enhance the effectiveness of the sector PPDs.
- Secure support for the structure of the PPD by stakeholders and work to achieve appropriate participation from the public and private sector.
- Ensure that the partnership stays on course and that the issues raised by the working groups along with their recommendations are presented effectively for the purpose of informing municipal's counterparts on options and best practice for change.
- Act as an honest broker to foster good working relations between counterparts to support and promote reform initiatives that emanate from the sector PPDs
- Work actively with the municipal secretariat in organizing regular PPD sector Working Group or other meetings.
- Facilitate the continued development of the working groups by acting as a resource and contact point for the private sector and by assisting the

private sector in the formulation of issues and recommendations at working groups and the Forum

Technical assistance and communications

- Ensure effective dissemination of information to the stakeholders and the larger public, in particular promoting issues, outcomes and impacts of the sector PPDs to support the implementation of decisions made.
- Build the capacity of the host BMOs to improve their ability to participate in the PPD

4.3.3.4 Budgeting for the Sector Secretariats

Budget components will include:

- Staffing and allowances.
- Research and technical consultancy.
- Meeting logistics and communications.
- Outreach and reporting.
- Legal services (County Attorney).

The budgeting for a PPD secretariat staff and activities may include the following:

- Identify and deploy relevant staff with enhanced job descriptions which will include, a coordinator and his/her assistant and an office assistant in charge of logistics.
- The County Attorney office will provide legal services to the secretariat.
- Salary or consulting fees for technical experts in this case a lawyer and an economist, where appropriate will be provided for.
- Operating and activities cost: since the secretariat is hosted by an existing structure (governmental office, business association, donor's office).

4.3.4 National Government, County Municipal and Private Sector Secretariat

The National Government, County Municipal and Private Sector Secretariat will have one central secretariat that deals with all other private sector secretariats.

This secretariat, headed by the Municipal Manager or Administrator, will

- Act as a focal point for all the private sector secretariats
- Receive requests, coordinate the responses and actions within the municipal and other agencies
- Relays messages to the governance board
- Facilitate and coordinate for the activities of relevant bodies within the municipality
- Assist the Municipal Manager in forming responses and relevant communications/activities with other county and national government entities when necessary
- Have an open dialogue with the private sector PPD secretariats
- Have a role in communicating outwards to the many public sector stakeholders throughout the government, including internal municipal's departments, directorates and units, other government ministries and agencies, and the governor's office and CECM for the municipality
- May be called upon by representatives within county government to clarify, follow up or provide further substance to issues raised within the PPD

4.3.5 Role of Consultants, Analysts, Lawyers, Economists and other experts

The sector PPDs will address many challenging issues. These issues can range

from policy to taxations. Where municipal and private sector technical counterparts require additional expertise to that which exists within the secretariats then consultants and other experts shall be engaged.

Research and other studies requiring the support of specific technical expertise (e.g. lawyers, economists, consultants) shall be engaged on issues where public and private stakeholders have expressed a clear demand for additional insight and expertise. The experts will be prepared to address PPD related meetings to discuss the work that they have undertaken as required.

4.3.6 Communication channels

Effective PPD requires **structured communication**:

- Stakeholder mapping and contact databases.
- Regular updates and progress reports.
- Public dissemination of outcomes.
- Use of ICT platforms (SMS alerts, social media, municipal website).

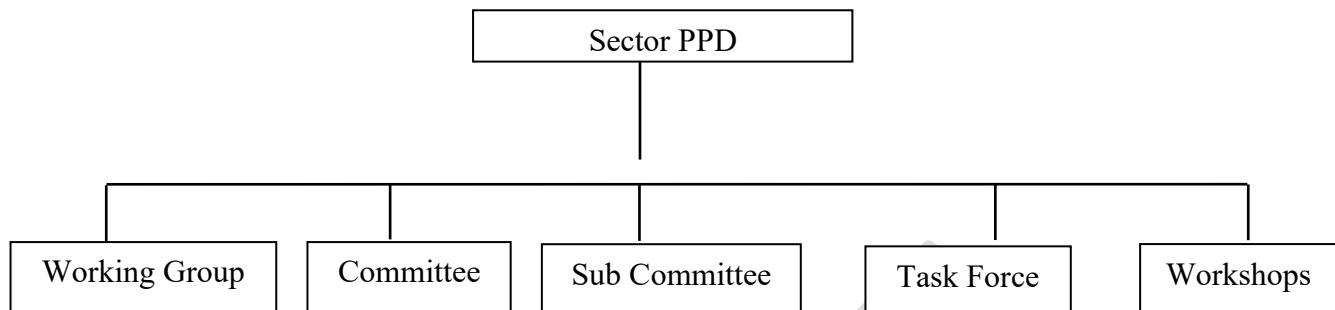
4.3.7 PPD Sector Dialogue Platforms, i.e. Working Groups, Sub Committees, Task Forces

Dialogue platforms will include:

- Working Groups (WGs): Core technical discussions.
- Task Forces: Short-term focus on specific reforms (e.g., tax review).
- Subcommittees: Standing bodies for recurrent issues (e.g., market management).
- Workshops: Broad consultations to gather diverse views.

The Working Group will remain the backbone of the dialogue process, supported by these flexible mechanisms.

Figure: Sector PPD Platforms for dialogue



Building routines for the preparation, conduct and follow up to working groups and other platforms under the Municipal PPD structure are the subject of this section.

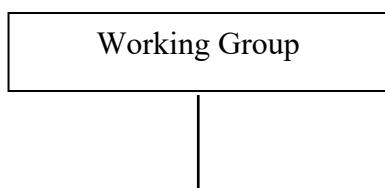
Working Group Meetings

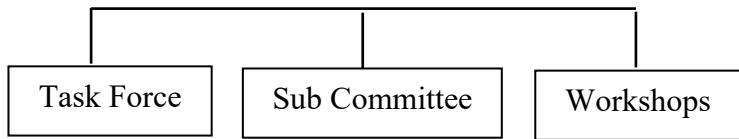
WG meetings are often the focus of the overall PPD. A WG is a technical level meeting. The relative health of a WG i.e. whether it is meeting, whether the right participants attend, whether decisions are made, and whether there is implementation, can dictate the success, or not, of the sector PPDs.

The WG is universally considered as the lead platform for PPD discussions. In some instances, the PPD can be supported by other activities such as task forces, sub committees or workshops. In this instance, the structure would have the other activities emanate as outputs of the WG consultations as per figure below:

-

Figure: Working Group Structure with Task Force, Sub Committee and Workshop activities





Working Groups in this context are the main meetings between the municipal and private sector.

How the Working Group will conduct their meetings

Based on the Agenda prepared by the private sector prior to the WG meeting, relevant municipal departments and technical leads will use the Agenda to investigate how to resolve the problems raised by the private sector. Thus, every Agenda sent to the municipal must be in a final form, with no errors or omissions. All studies, documents related to the discussion must be sent with the Agenda to ensure that the municipal is well aware of the issues to be discussed, and has prepared its position for discussion in the WG.

Participants: The Municipal Manager or co-chair of the respective WG, representatives of BMOs, stakeholders that have raised problems that are on the Agenda that will be discussed in the Working Group, and other active members of the sector PPD. Experts and advisers may be invited to provide expert opinions if necessary.

Chair of the meeting: During the WG meeting, the Municipal Manager or administrator shares responsibility for managing the meeting with the CECM as Co-Chair.

Before the meeting: The WG meeting is usually held at a municipal's relevant to the sector covered by the Working Group. The private sector secretariats will have to work closely with the Municipal's secretariat focal point to organize the meeting. The secretariats will follow the steps outlined below:

- Send a letter to the respective government Co-chair to propose a date for

holding the Working Group meeting.

- This letter will include the Agenda developed by the sector PPDs, in both English and Kiswahili
- Follow up with the CECM-County Government Co-chair's assistant or the Municipal's secretariat to confirm the date proposed for the meeting.
- Send out email invitations to meeting participants at least 10 working days in advance. If the invitation is in the official language, attach the translation in English and also attach versions in English and the official language of all documents required for the meeting, including the Agenda and any Laws/Regulations that will be discussed.
- Confirm participation of the CECM Co-Chair, key active members and persons who have raised issues that will be discussed in the Working Group meeting.
- Send a list of the private sector representatives who have confirmed that they will attend the meeting to the focal point of the ministry so that seating for them can be arranged.
- Work closely with the Municipal's focal point to arrange logistics for the meeting such as booking a translator, translation booth and headsets for all participants.
- Send out a reminder email to all who have been invited to the WG meeting at least one day in advance. In the email, remind participants to bring their own set of documents pertaining to the meeting which were sent to them with the meeting invitation. These include the Agenda, the matrix of issues under discussion with the government, and any laws/regulations etc. that will be discussed.
- Remind participants that copies of these documents will not be provided to them at the meeting.
- Make 10 copies of the proposed Agenda for the Co-Chairs and any senior government officials that attend.
- Add to the Agenda material any studies, analysis, position papers that relate to the agenda.

- Check the recording device and microphone to make sure that they are working properly and make sure that the battery is fully charged. Bring spare batteries in case these are required. If the machine uses tape to record sound instead of recording sound digitally, bring an adequate supply of tapes.

4.3.7.1 Task Forces, Sub Committees & Workshops

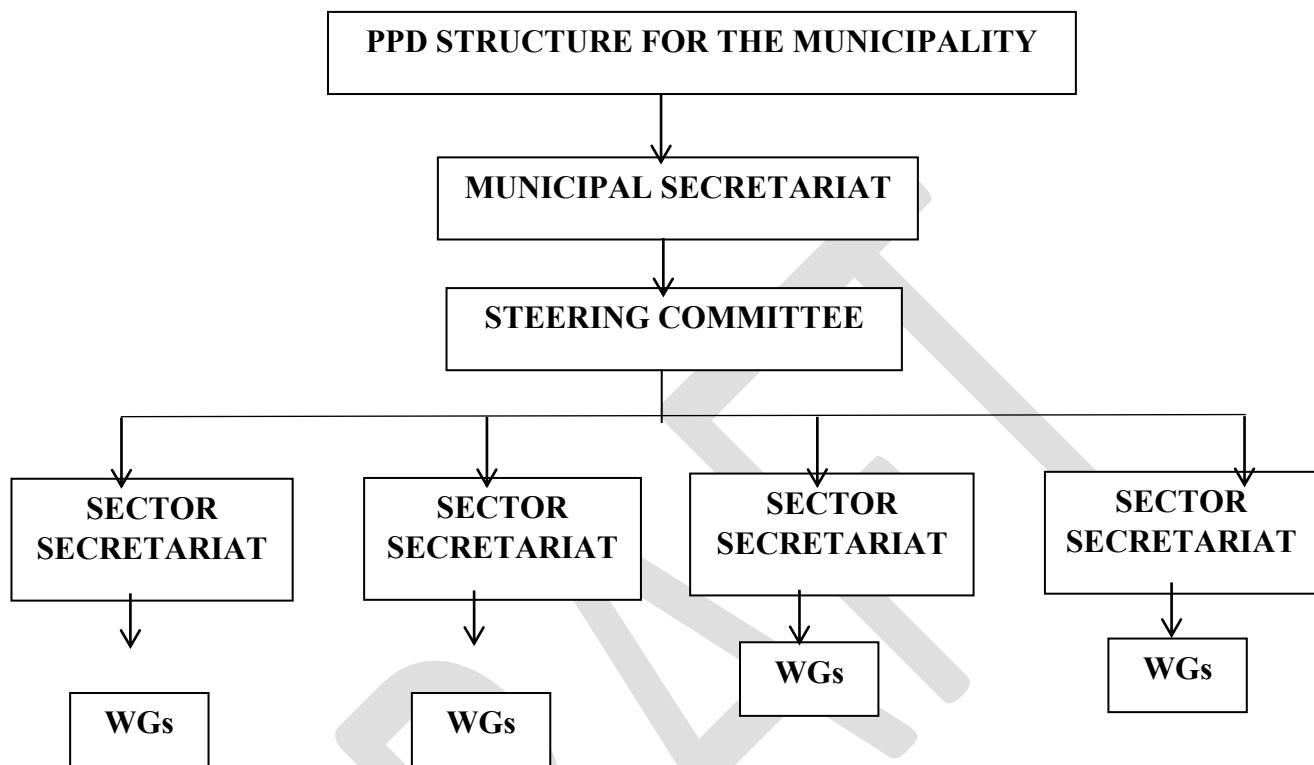
During the WG sessions it is expected that decisions will be made in regard to the well prepared, evidence-based agenda. There are, however, issues that will require further public and private sector consultations. WGs are technical level discussions.

Task Force: A task force meets with a limited objective. It will be created to include technical counterparts from the public and private sector. The purpose of the Task Force will be to provide an intense focus on an issue that could not be resolved in the WG but where the reason for it not being resolved is agreed to be a matter of further discussion. This could include, for example, the wording of a new regulation, the change of a tax code or a customs exemption.

Subcommittee: A subcommittee may be formed under the WG to be a permanent or semi- permanent body that focuses on a specific issue. For example, a subcommittee may be formed to draft and or review legislation or policy. It could also be formed to create a body that can provide input on agriculture tariffs. The subcommittee reports to the WG.

Workshops: The WG may agree that a particular issue requires a more thorough overview than is provided in a WG meeting. In this instance a Workshop may be created. The Workshop will seek inputs from various stakeholders that may or may not be regular participants in the WG or other sector PPD activities. The findings of the Workshop will be reported to the WG.

Figure: Organogram/diagram of the PPD structure for the Municipality



Chapter Five: Strategies for Engagement

Private sector engagement in the Municipality must be intentional, structured, and collaborative — enabling local businesses, farmers, traders, industries, and investors to participate actively in development planning and service delivery. As a rapidly growing urban center with strong agricultural and trade-based economic activity, the Municipality requires strategies aligned to its spatial growth patterns, market dynamics, and emerging infrastructure needs.

This chapter outlines actionable mechanisms through which the municipality can build sustainable public–private relationships that drive investment, employment, and economic resilience.

5.1 Dialogue and Consultation Platforms

1. Public–Private Dialogue (PPD) Forums

- Convened quarterly or bi-annually.
- Brings together the Municipal Board, KNCCI (Engineer Chapter), cooperative unions, SMEs, agro-traders, transporters, and financial institutions.
- Outcomes expected: policy input, streamlined compliance processes, reduction of business bottlenecks, and joint problem-solving.

2. Sector-Based Engagement Roundtables

Targeted roundtables focused on the sectors most relevant to the Municipality:

- Agriculture, dairy, potatoes, horticulture, agro-processing

- Retail/wholesale trade, Jua Kali, construction, ICT and logistics These strengthen sector-driven innovations, improve productivity, and foster market value chains.

3. Citizen–Business Joint Forums

- Anchored in the Urban Areas and Cities (Amendment) Act, 2019.
- Spaces for meaningful dialogue between residents, traders, SACCOS, and municipal leadership.
- Enhances transparency, public trust, and shared ownership of development outcomes.

5.2 Policy Co-Creation and Regulatory Support for Business Growth

- Co-create municipal business policies with private sector input before adoption.
- Adopt simplified and digital licensing processes to reduce transaction time.
- Introduce investor-friendly incentives — including reduced fees or tax holidays for infrastructure-supportive investments.
- Establish an **Investment & Business Facilitation Window** within the Urban Manager’s Office.

5.3 Joint Investment and Co-Financing Models

1. Public–Private Partnerships (PPPs)

Focus areas for PPP investment in the Municipality:

- Modern fresh produce market
- Water distribution network expansion
- Rural access roads connection to Engineer Town

- ICT hubs and digital business centers

2. Corporate Social Responsibility (CSR) Alignment

Mobilize private organizations to invest in:

- Education and health facilities
- Urban greening and public recreation spaces
- Street lighting, drainage and waste management support

3. Blended Finance Initiatives

- Combine municipal, donor, and private capital for large-scale infrastructure.
- Targeted toward renewable energy, stormwater drainage, low-cost housing and industrial sheds.

5.4 Innovation and Technology Adoption

- Implement digital systems for licensing, revenue collection, and service requests.
- Partner with ICT firms to deploy GIS mapping for planning and land use.
- Promote clean energy solutions, waste-to-energy recycling, and modern water purification technology.

5.5 Capacity Building and Skills Development

Structured collaborations with universities, TVETs, NITA-accredited trainers, and industry players to:

- Train municipal staff on PPPs, contract management, and project monitoring.

- Upskill youth and women in agribusiness, metal fabrication, ICT, carpentry, green jobs, and manufacturing.
- Establish an **Engineer Business Innovation Incubator** linked to financial institutions.

5.6 Monitoring, Learning and Accountability

- Create a **Joint Public-Private Monitoring Committee** within the Municipality.
- Develop sector-based performance indicators (KPIs).
- Publish an annual **the Municipality Engagement Scorecard** for transparency, investor confidence, and public trust.

Chapter Six: Structure and Functioning of the Public–Private Dialogue Forum (PPDF)

6.1 Introduction

The Municipality requires a coordinated, predictable, and structured approach to engaging the private sector to realize sustainable economic growth, orderly urban development, increased investment flows, and improved service delivery. Historically, interactions between municipal authorities and businesses have often been event-based, compliance-focused, or reactive rather than proactive. This has limited the municipality's ability to fully tap into private sector capacity, innovation, financing, and market intelligence.

The **Public–Private Dialogue Forum (PPDF)** establishes a permanent, institutionalized platform designed to facilitate collaboration and co-creation between the municipal government, formal and informal businesses, cooperatives, professional bodies, MSMEs, investors, innovators, financial institutions, and development actors. It serves as the official mechanism through which the Municipality will exchange ideas, jointly diagnose business environment constraints, generate evidence-based reforms, and co-invest in transformative development projects.

Through the PPDF, the Municipality aims to strengthen mutual trust, improve transparency, enhance policy responsiveness, and ensure that economic decisions reflect the needs and aspirations of enterprise actors operating within the municipality.

6.2 Objectives of the the Municipality PPDF

The PPDF is intended to function not as a consultation event, but as a structured **economic governance instrument**. Its objectives include:

1. **Facilitating continuous engagement** between the Municipality and private sector actors through scheduled technical and strategic dialogue forums.
2. **Identifying, analysing, and resolving regulatory bottlenecks**, infrastructure constraints, licensing procedures, market-related challenges, and business environment impediments.
3. **Co-designing investment plans and joint project pipelines**, including market modernization, street and drainage improvement, sanitation, ICT systems, industrial value chains, green energy, and logistics facilities.
4. **Promoting public-private partnerships (PPPs)** for project financing, asset operation, technology deployment, municipal utility enhancement, and revenue optimization.
5. **Strengthening inclusivity and equitable participation** of youth enterprises, women-led businesses, PWD-owned businesses, informal sector traders, cooperatives, and rural-urban supply chain actors.
6. Enhancing business confidence, accelerating economic formalization, and promoting innovation-driven growth.

6.3 Institutional Structure of the PPDF (the Municipality)

The PPDF will operate under a **multi-layered governance structure** designed to ensure alignment from grassroots engagement to county-level policy harmonization.

(a) County-Level PPDF – Nyandarua County Economic Dialogue Forum

This is the apex coordination platform linking municipal economic priorities with county development planning and sector policy.

Convened by: CECM in charge of Urban Development.

Mandate includes:

- Reviewing cross-municipal priorities and harmonizing market and investment needs.
- Aligning PPDF output with CIDP, County Spatial Plan, ADP, BETA economic reforms, and national frameworks.
- Mobilizing bilateral partners, development agencies, and county-level investment.

Members include:

- CECMs (Trade, Urban Development, Finance, Lands)
- Nyandarua County Investment Authority
- Chairperson – Engineer Municipal Board
- KNCCI, KAM, KEPSA County Focal Networks
- Cooperative federations, SACCO unions, microfinance associations
- Academia, civil society, and key development agencies

(b) Municipal-Level PPDF (Core Operational Platform)

This forum forms the operational heart of municipal-private sector engagement.

Convened by: Urban Manager, under delegated authority of Municipal Board Chairperson.

Mandate:

- Address business constraints specific to the Municipality.
- Guide preparation of IDeP, Annual Investment Plans (AIP), work plans, and municipal budgets.
- Identify PPP opportunities for markets, bus parks, waste management, roads, lighting, water infrastructure, industrial sheds, and SME incubation.
- Manage structured feedback loops between businesses and regulatory offices.

Membership:

Category	Representation
Municipal Leadership	Municipal Board Members, Urban Manager
Formal Private Sector	KNCCI members, manufacturers, agribusiness firms, service companies
Informal Sector	Jua Kali clusters, Boda Boda associations, traders & market committees
Financial Sector	Commercial banks, SACCOs, MFIs, cooperative societies
Social Business Actors	Youth groups, women enterprise networks, PWD-led groups
Development Actors	NGOs, CBOs, research institutions, faith-based economic entities
Public Sector	County officers in trade, planning, public works, public health, environment, water, lands

(c) Sector Working Groups (SWGs) – Engineer Municipality

To ensure technical depth and actionable output, SWGs will operate as specialist units reporting to the Municipal-Level PPDF.

Sector Working Group	Core Focus Areas
1. Agro-Processing & Value Addition	Dairy, potatoes, cereals, agro-industrial linkages, aggregation, cold-chain
2. Market & Informal Trade	Market upgrading, vendor compliance, space allocation, sanitation, licensing
3. Infrastructure & Urban Services	Roads, NMT, drainage, waste, lighting, public sanitation, utilities
4. Finance & Enterprise Development	Credit access, guarantee schemes, SACCO linkages, SME capital
5. Green Economy & Innovation	Renewable energy, climate resilience, waste recycling & circular economy

Each SWG will produce technical papers, investment concept notes, capacity development proposals, risk assessments, and implementation work plans.

6.4 Operational Framework

(a) Meetings & Frequency

- **Engineer Municipal PPDF — Quarterly** (mandatory minimum of four sittings annually)
- **Sector Working Groups — Monthly or as-needed** for rapid problem resolution
- **County-Level PPDF — Bi-annual sessions**

Emergency sessions may be called for urgent matters such as outbreaks, market closures, disaster-related economic shocks, or transport disruptions.

(b) Secretariat

The Secretariat shall be seated within the **Office of the Urban Manager**.

Its functions include:

- Preparation of technical briefs, agenda notes, and workshop materials.
- Managing invitations, mobilization, publicity, and documentation.
- Maintaining the Private Sector Database and real-time resolution tracking.
- Compiling quarterly progress reports for the Municipal Board and County Economic Planning Directorate.

(c) Decision-Making, Documentation & Reporting

- Decisions will be based on consensus and recorded through **resolution registers**.
- Implementation progress measured through a **PPDF Action Tracking Matrix**.
- Outputs feed into:
 1. Annual Municipal Economic & Investment Report
 2. County Annual Development Plan (ADP)
 3. Budget & IDeP development cycle

6.5 Guiding Principles

1. **Inclusivity** – equitable representation across gender, age, enterprise size, geography.
2. **Transparency & Accountability** – documented commitments and follow-through.

3. **Evidence-Driven Decision-Making** – PPDF actions informed by diagnostics, surveys & trade data.
4. **Mutual Economic Gain** – shared prosperity through improved services, increased investment, job creation.
5. **Sustainability** – PPDF functioning as a permanent institution anchored in law, planning & financing.

6.6 Roles & Responsibilities of Core Actors

Actor	Detailed Role
National Government	Policy alignment, SME frameworks, classification standards, trade facilitation & national-level investment programs.
Nyandarua County Government	Planning integration, financial support, institutional anchoring, budget allocation & inter-municipal policy coordination.
Municipal Board	Governance oversight, integration of PPDF results into IDP & annual budget; partnership facilitation; accountability assurance.
Urban Manager	Secretariat lead, agenda development, stakeholder outreach, documentation, monitoring & reporting to the board.
Private Sector	Provide reform proposals, co-fund projects, share market data, support innovation, mobilize investor networks.
Development Partners & Academia	Research, training, technology transfer, co-financing mechanisms, monitoring support, capacity building.

6.7 Expected Outputs

The Municipality PPDF will generate:

- **Bi-Annual PPDF Dialogue Reports**
- Annual **Municipal Business Environment Index**
- Policy Reform Briefs & Regulatory Improvement Recommendations
- PPP Project Concept Notes & MoUs
- Infrastructure & SME Growth Project Pipelines
- Joint investment mobilization frameworks

6.8 Sustainability Mechanisms

To ensure the PPDF remains active, productive, and financially supported:

- A **dedicated municipal budget line** shall finance operations annually.
- The PPDF will be embedded in Municipal Board procedural rules & reporting structures.
- A **digital dialogue dashboard** will host resolutions, track commitments, and automate stakeholder feedback.
- Annual training for private sector leaders and municipal officers in negotiation, PPP structuring, investment readiness, and policy advocacy.
- Annual synthesis of outcomes tabled in the **County Budget and Economic Forum (CBEF)**.

6.9 Expected Outcomes for the Municipality

By institutionalizing the PPDF, the Municipality anticipates:

1. A permanent, responsive dialogue mechanism enabling continuous business-government engagement.
2. Enhanced investor confidence due to predictable, transparent governance.

3. Stronger infrastructure delivery, better service provision, and reduced operational frictions.
4. Increased economic participation of women, youth, cooperatives & PWD-owned enterprises.
5. PPP-driven development across markets, roads, waste management, and energy.
6. A more competitive, innovative local economy with diversified revenue streams.

6.10 Conclusion

The Public-Private Dialogue Forum positions Engineer Municipality on a pathway to structural transformation, economic modernization, and service excellence. Through regular dialogue, evidence-based decision-making, joint investment, and shared accountability, the Municipality is set to transition into a dynamic commercial hub, attracting investment, stimulating enterprise growth, and fostering sustainable livelihood opportunities for its residents.

The PPDF therefore stands not merely as a consultation tool — but as a **pillar of municipal economic governance and long-term competitiveness**.

Chapter Seven: Capacity Building and Implementation Arrangements

7.1 Introduction

Successful implementation of the Private Sector Engagement Framework (PSEF) for **the Municipality** requires strong institutional capacity, skilled personnel, and responsive systems that support continuous collaboration between the Municipality and private sector investors.

This chapter provides implementation arrangements, capacity development interventions, financing strategies, and monitoring structures tailored specifically for the Municipality's economic context — which is anchored in agriculture, transport, construction, energy, hospitality, and small-scale manufacturing.

7.2 Institutional Framework for PSEF Implementation

Implementation will occur within the Municipality's legislated governance system guided by:

- The Urban Areas and Cities Act (2019)
- County Governments Act (2012)
- Public Finance Management Act (2012)

(a) Municipal Board

The Municipal Board shall be the primary authority responsible for operationalizing the PSEF. Core mandates include:

- Integrating PSEF priorities into the **Integrated Development Plan (IDeP)** and annual work plans.
- Approving frameworks for Public-Private Dialogue (PPD).

- Ensuring accountability in partnership agreements, PPPs, and investment decisions.
- Resource mobilization and stakeholder coordination.

(b) Municipal Manager & Technical Secretariat

The Municipal Manager will coordinate day-to-day implementation through the Secretariat. Key functions:

- Maintain and update the **Municipality Private Sector Database** and Diagnostics Register.
- Convene and document Public–Private Dialogue forums.
- Track investment proposals, PPP negotiations, and co-financing commitments.
- Lead reporting, monitoring, evaluation, and knowledge dissemination.

(c) County Departmental Linkage

The Municipality will collaborate with county departments for:

Department	Support Role
Finance & Economic Planning	Budget allocations, financial reviews, PPP viability checks
Trade & Industrialization	Enterprise development, investor facilitation
Legal & Compliance	Contract vetting, dispute resolution
Environment & Natural Resources	Environmental approvals & compliance
Roads, Water & Infrastructure	Technical supervision & engineering support

(d) Private Sector & Development Partners

- Provide capital investments, expertise, and technology.
- Participate in co-design and co-financing of infrastructure and service-delivery innovations.
- Support training, business incubation, and market linkages.

(e) Civil Society, Academia & TVETs

- Promote public awareness, inclusivity, and entrepreneurship.
- Strengthen innovation, business training, and research.

7.3 Capacity Development Strategy for the Municipality

Capacity building will be structured under **four pillars**:

i. Institutional Strengthening

- Develop Standard Operating Procedures (SOPs) for engagement, partnership screening, and contract administration.
- Establish a **Municipal Investment Facilitation Desk** as the first point of contact for investors.
- Improve horizontal coordination between procurement, planning, finance, environment, and infrastructure units.

ii. Human Resource Development

Training focus areas:

Skills Area	Target Officers
PPP structuring & contracting	Technical staff, finance, legal
Investment promotion & negotiation	Secretariat, economic development officers

Skills Area	Target Officers
Stakeholder engagement & dispute resolution	Municipal management & board
Data analytics, reporting, and MEL	M&E Officers and planning unit

Additional strategies:

- Apprenticeships for youth entrepreneurs.
- Exchange visits with progressive municipalities.
- Coaching for local SMEs to scale operations.

iii. Systems & Digital Tools

- Develop a **PSEF Digital Portal** for investment profiling, project tracking, and business licensing.
- Introduce **Engineer Business Environment Index (BEI)** to track progressive improvement.
- Integrate private sector indicators into staff performance evaluation metrics.

iv. Resource Mobilization

- Establish a ring-fenced **PSEF Budget Line** within the municipal annual budget.
- Explore PPP financing for roads, markets, sewerage, and agro-processing facilities.
- Pursue Municipal Bonds, CDF linkages, CSR partnerships, and development grants to expand revenue sources.

7.4 Phased Action Plan for the Municipality

Phase	Priority Interventions	Timeline
Short-Term	Map private sector actors, launch PPD forums, develop SOPs, staff training	0-12 months
Medium-Term	Roll out digital portal, initiate pilot PPPs (waste, roads, energy, markets, sewerage), incubation for SMEs	1-3 years
Long-Term	Scale investment pipeline, expand PPPs to housing & industrial parks, BEI reporting, annual business summits	3-5 years

7.5 Implementation Matrix

Activity	Lead Actor	Supporting Actors	Timeline	Resources Required
Establish PPD Forum	Municipal Board	Secretariat, private sector	0-6 months	Stakeholder facilitation
Stakeholder Mapping & Registration	Secretariat	County Departments	0-12 months	ICT systems, staff
Launch first PPP pilot (priority sector selected locally)	Board & Manager	Development partners, PPP Unit	1-3 years	Technical & financial support
Develop & launch digital PSEF portal	Secretariat	ICT Directorate	1-2 years	Software, training
SME Capacity Building & Policy Clinics	Secretariat	Academia, NGOs, industry associations	1-3 years	Training funding

Activity	Lead Actor	Supporting Actors	Timeline	Resources Required
BEI & Annual Scorecards	M&E Unit	Audit office, private sector	Annual	Technical reviews

7.6 Risk Management & Mitigation

Risk	Mitigation
Low investor confidence	Fast-tracked licensing, investor after-care services
Political interference	SOP governance, transparent documentation
Skills gap internally	Targeted capacity building, mentorship programs
Financing constraints	PPPs, grants, CSR, municipal bond exploration
Stakeholder conflict or competition	Mediation through PPD forums

Chapter Eight: Monitoring, Evaluation & Learning (MEL)

Effective MEL ensures that the PSEF delivers measurable value for the Municipality. Monitoring tracks progress, evaluation validates outcomes, and learning drives continuous improvement and innovation.

8.1 MEL Objectives for the Municipality

1. **Track Progress** – Assess implementation of engagement strategies against agreed milestones.
2. **Enhance Accountability** – Ensure that both municipal boards and private sector actors deliver on commitments.
3. **Promote Transparency** – Provide reliable data and information to citizens, businesses, and policymakers.
4. **Support Learning & Adaptation** – Capture lessons to refine policies, dialogue mechanisms, and PPP models.
5. **Measure Impact** – Assess the contribution of private sector engagement to urban service delivery, job creation, and infrastructure development.

8.2 MEL Framework – the Municipality

Level	Key Questions	Indicators	Data Sources	Frequency
Inputs	Are sufficient resources allocated?	Budget allocation to PSEF, staff assigned	Annual budgets, HR records	Annual

Level	Key Questions	Indicators	Data Sources	Frequency
Activities	Are planned engagements happening?	# of PPD forums held, # consultations conducted	Forum/attendance reports	Biannual
Outputs	What products/agreements emerged?	# PPP MoUs, # policies generated	Contracts, minutes, register	Biannual
Outcomes	What changed in service delivery/business environment?	Licensing time, investor approvals, new SMEs	BEI index, investor logs	Annual
Impact	What long-term transformation occurred?	Revenue growth, jobs created, infrastructure delivery	Economic survey & annual reports	3-5 years

8.3 Data Collection & Reporting

- The **Municipal Secretariat = MEL Unit**.
- Findings validated through *PPD forums, stakeholder surveys, investor roundtables*.
- Annual **Municipal Engagement Report** will measure results and publish performance scorecards.
- Use digital reporting dashboards to improve accessibility and reduce manual reporting.

8.4 Learning & Adaptation

Mechanism	Purpose
Annual Business & Investor Summit	Review outcomes and plan forward priorities
Mid-Term Review (Year 2)	Assess progress, adjust strategies
Peer Learning Missions	Lessons from neighbouring municipal best practice
Policy Briefs, Case Notes, Success Stories	Knowledge documentation

8.5 Risk Profiling Matrix

Category	Risk Detail	Likelihood	Impact	Score	Mitigation	Owner
Strategic	Misalignment of private investment with the Municipality's priorities	Medium	High	Med-High	Partner screening, alignment checklists	Board & PPP Desk
Financial	Cost overruns, investment withdrawal	Medium	High	Med-High	Guarantees, milestone payment control	Finance & PPP Audit
Operational	Project delays / low capacity	High	Medium	High	PMO tracking, monthly reporting	Secretariat

Category	Risk Detail	Likelihood	Impact	Score	Mitigation	Owner
Reputational	Poor conduct by partner	Medium	High	Med-High	Integrity screening & penalties	Legal Unit
Compliance	Breach of procurement laws	Medium	High	Med-High	Legal review, audits, SOP adherence	Audit & Risk
Environmental	Negative ecological/social effects	Low-Medium	Medium	Medium	EIA, community consultations	Environment Unit
Market	Weak project demand	Medium	Medium	Medium	Feasibility & scenario tests	PPP Desk
Technology	New tech risk	Low-Medium	Medium	Medium	Pilot testing, support contracts	ICT/Tech Wing
Sustainability	Post-contract continuity failure	Medium	Medium	Medium	Maintenance clauses, transfer plans	PPP Secretariat

8.6 Indicator Snapshot

Category	Indicator	Target (Year 3)
Engagement	No. of PPD forums held	6 forums
Policy	% no. of municipal policies co-created with private sector	At least 50%
PPP Projects	No. of PPP agreements implemented	Minimum 3 operational
Business Environment	Average time for business licensing	Reduce from 30 days to 10 days
Jobs & Revenue	New jobs created through PPPs	2,000 jobs
	Growth in municipal own-source revenue	+25% minimum

Annexes

Annex 01: Alignment and Linkage of the PSEF

Framework / Policy	Provision / Principle	Alignment to the Municipality PSEF
Constitution of Kenya, 2010	Public participation, procurement fairness, transparency	PSEF institutionalizes private sector engagement in budgeting, procurement and policy co-creation in the municipality.
Vision 2030	Industrialization, infrastructure expansion, economic growth	Engages agro-processors, transporters, developers & MSMEs to support industrial and commercial expansion in Engineer town.
Medium-Term Plan IV (2023–2027)	PPPs, urban regeneration, value chain development	Operationalized via PPP pipeline for markets, water, energy, roads & digital systems in the Municipality.
Nyandarua CIDP III (2023–2027)	County development priorities	Maps private sector input into municipality's IDeP, budgeting and spatial development priorities.
County ADPs	Annual planning tool	PSEF feeds structured private sector priorities during ADP formulation.
County Spatial & Urban Plans	Land-use and infrastructure zoning	PSEF links developers, surveyors, real estate, roads and utility investors into implementation cycles.

Framework / Policy	Provision / Principle	Alignment to the Municipality PSEF
Urban Areas & Cities Act	Citizen forums & boards	Provides legal basis for the Municipality Public-Private Dialogue Forum (PPDF).
PPADA 2015	Fair procurement	Framework reinforces supplier development, local sourcing, and transparency.
PFMA 2012	Participatory budgeting	PSEF becomes channel for business input in municipal fiscal decisions.
SDGs (Agenda 2030)	SDG 11, 8, 17	Builds sustainable, inclusive urban growth driven by partnership & enterprise.

Annex 02: List of Data/Fields for the Private Sector Database

Data Field	Exists in SBP?	Add?	Purpose for the Municipality PSEF
Business Name & Certificate Number	✓	—	Legal identification & registry integrity
Registration Number	✓	—	Confirms formalization status
Physical Location: Ward, Center/Street, Plot No.	✓	—	Spatial mapping for planning and revenue allocation
Sector (Retail, Agro-processing, ICT, Transport, Real Estate, etc.)	✓	—	Enables sector cluster engagement

Data Field	Exists in SBP?	Add?	Purpose for the Municipality PSEF
Business Size: Micro/Small/Medium/Large	–	✓	Targeted incentives and policy segmentation
Number of Employees	–	✓	Tracks job creation contribution to the Municipality economy
Ownership Structure	✓	–	Individual/company/cooperative identification
Contact Person + Position	✓	–	Stakeholder engagement and forum communication
Phone + Email	✓	–	Communication and notification
Annual Turnover/Revenue Band	–	✓	Investor categorization, revenue forecasting
Years of Operation	–	✓	Maturity, stability and support needs
Key Products/Services	✓	–	Value chain mapping
Challenges/Needs	–	✓	Identifies areas for policy reform & support
Existing Partnerships (County/Donor/PPP)	–	✓	Scaling potential
Interest in Dialogues/PPP/Trade Fairs	–	✓	Tailored participation & forum targeting

Annex 03: Suggested Calendar for Two Annual Forums

Forum	Timing	Primary Purpose
Forum 1 — Diagnostic & Policy Input Meeting	Feb–Mar annually	Captures private sector priorities to shape the Municipality ADP, budget and infrastructure pipeline.
Forum 2 — Progress & Accountability Forum	Aug–Sep annually	Reviews performance, tracks PPDF commitments, discloses expenditure, and co-plans next cycle actions.

Annex 04: Results Framework

Objective	Indicator	Baseline 2025	Target 2027	Verification Method
Establish a functional private sector registry	% of active businesses recorded	0%	80%	SBP database, municipal dashboard
Annual diagnostics to guide planning	No. of diagnostic reports generated	0	2 per year	Published reports, Board minutes
Operationalize PPDF	No. of dialogue forums per year	0	2	Attendance registers & resolutions
Promote inclusion	% participation by women, youth, PWDs	Not tracked	≥30%	Forum disaggregated data

Objective	Indicator	Baseline 2025	Target 2027	Verification Method
Improve accountability	% PPDF resolutions integrated into ADP/Budget	0%	≥70%	Annual Work Plans & AIP documents
Build institutional capacity	Staff & private sector trained annually	0	≥20 persons/year	Training reports, participant lists

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