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OL KALOU MUNICIPALITY PRIVATE SECTOR ENGAGEMENT FRAMEWORK (PSEF)

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Table of Contents

1. Foreword
2. Preface
3. Acknowledgements
4. Acronyms and Abbreviations
5. Definitions of Key Terms
6. Executive Summary
7. Chapter One: Introduction
8. Chapter Two: Legal and Policy Alignment
9. Chapter Three: Geographic and Socio-Economic Context
10. Chapter Four: Institutional & Governance Structures
11. Chapter Five: Strategies for Engagement
12. Chapter Six: Structure and Functioning of the Public–Private Dialogue Forum (PPDF)
13. Chapter Seven: Capacity Building and Implementation Arrangements
14. Chapter Eight: Monitoring, Evaluation & Learning (MEL)
15. Annexes

Foreword

Ol Kalou Municipality stands at a defining moment in its urban development journey. As the administrative and commercial hub of Nyandarua County, Municipality continues to experience rapid growth in population, business activity, and investment potential. This progress presents an important opportunity — and responsibility — to shape a town that is economically dynamic, socially inclusive, and environmentally resilient.

The Private Sector Engagement Framework (PSEF) is a strategic instrument that strengthens collaboration between the Municipality and the private sector. It establishes structured mechanisms for joint planning, investment, innovation, information sharing, and delivery of sustainable urban services. Through this framework, we seek to unlock private sector capability in areas such as infrastructure development, urban services management, ICT, industrial expansion, housing, green energy, manufacturing, agriculture value addition, and enterprise growth.

This Framework aligns with and supports the aspirations of the Nyandarua County Integrated Development Plan (CIDP III 2023–2027), Kenya Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Sustainable Development Goals (SDGs). By strengthening participatory planning and leveraging private capital and expertise, the Municipality is positioned to enhance service delivery, improve business competitiveness, and expand livelihood opportunities for residents and investors.

As Chairperson of the Municipal Board, I reaffirm our commitment to meaningful private sector partnership as a pillar of municipal transformation. We invite investors, business associations, cooperatives, MSMEs, and development partners to walk with us in building a modern, prosperous, and well-governed Municipality — a town that works for everyone and leaves no one behind.

CHAIRPERSON

Ol Kalou Municipal Board

Preface

The private sector plays a defining role in shaping the social and economic growth of Ol Kalou Municipality. Across key sectors — agriculture, trade, construction, retail, transport, ICT, and services — businesses continue to drive employment, investment, and revenue that sustains the municipality. However, past engagement has been largely regulatory, centred on licensing, permits, and compliance. There is now a need for a more collaborative, innovative, and development-focused partnership.

The Municipality Private Sector Engagement Framework (PSEF) provides this new foundation. It establishes a structured approach for dialogue, co-planning, co-investment, and innovation between the municipality and private enterprises. Through this framework, we seek to deepen trust, transparency, and shared responsibility in local development while ensuring that opportunities are inclusive and accessible to women, youth, and persons with disabilities.

Implementation will be led by the Municipality Municipal Board, with technical support from the County Department of Lands, Physical Planning, Housing, and Urban Development. The framework calls upon business associations, cooperatives, financial institutions, SMEs, and development partners to participate actively in municipal planning processes, support infrastructure and service delivery, and co-create solutions to emerging urban challenges.

With enhanced partnership, Municipality is well-positioned to grow into a competitive regional hub supported by agro-industrial development, real estate expansion, logistics, climate-smart enterprises, and modern service industries. The municipality is committed to providing an enabling environment that encourages investment, expands opportunities, and improves quality of life for residents.

Together, we can transform Municipality into a resilient, inclusive, and economically dynamic municipality — built through collective effort and shared prosperity.

MUNICIPAL MANAGER

Ol Klou Municipality

Acknowledgements

The development of the Municipality Municipal Private Sector Engagement Framework has been a collaborative effort built on dialogue, consultation, and partnership. We extend appreciation to:

- **The Municipal Board** for providing leadership and oversight throughout the process.
- **The Kenya National Chamber of Commerce and Industry (KNCCI – Nyandarua Chapter)**, MSME groups, cooperative societies, and private enterprises whose insights shaped the framework.
- **Development partners, notably the Kenya Urban Support Programme (KUSP II)**, for technical input and institutional support.
- **Community-based organizations and civil society** for championing inclusivity, equity, and social development considerations.
- **The technical drafting team** from the County Department of Lands, Housing, Urban Development & Trade for coordination and documentation.

This framework belongs to the people and businesses of the Municipality. It represents a shared vision for a stronger, greener, and more prosperous 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
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.
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.

Term	Definition
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 PSEF

- To provide a clear framework for collaboration between municipalities, private sector, and development partners.
- To institutionalize **Public–Private Dialogue (PPD)** mechanisms that promote trust, inclusivity, and accountability.
- To enhance municipal service delivery and infrastructure development through **Public–Private Partnerships (PPPs)** and other innovative financing models.
- To promote **job creation, investment, and local economic development (LED)** in line with national and county priorities.
- To establish **Monitoring, Evaluation, and Learning (MEL)** systems that track impact and sustain improvement.

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 Engagement Strategies

1. **Stakeholder Mapping & Inclusion** – systematic identification and involvement of private sector actors, SMEs, cooperatives, and business associations.
2. **Formalized Platforms for Dialogue** – quarterly municipal forums, sector-specific roundtables, and digital engagement tools.
3. **Financing & Investment Partnerships** – leveraging PPPs, blended finance, and CSR contributions to expand infrastructure and services.
4. **Policy Alignment & Incentives** – ensuring county and municipal policies create an enabling environment for private investment.
5. **Capacity Building** – strengthening municipal boards and private actors to engage effectively.

Expected Outcomes

- Strengthened collaboration between municipalities and the private sector.
- Increased private sector investment in infrastructure, services, and local economic development.
- Improved municipal service delivery through innovation and efficiency.
- Transparent and accountable governance structures supported by citizen participation.
- Sustainable and inclusive urban growth aligned with the **Sustainable Development Goals (SDGs)** and Kenya's **Vision 2030**.

Implementation & Monitoring

The framework will be implemented over a **five-year period** through municipal boards, guided by county policies, and supported by development partners.

Progress will be measured using:

- **Engagement scorecards** for transparency.
- **Annual reviews** to track results.
- **Adaptive learning mechanisms** to refine approaches based on evidence and stakeholder feedback.

Chapter One: Introduction

1.1 Background

Kenya's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) highlight the private sector as the primary driver of economic growth. In Nyandarua County, agriculture accounts for more than 80% of household income, and **Ol Kalou Municipality acts as the county's core administrative, commercial, and service hub**. It is the central point connecting agricultural producers to markets, agro-processing enterprises, logistics, retail trade, and support services.

Rapid urbanization in Municipality has increased demand for improved infrastructure, affordable housing, water supply, sanitation, modern markets, solid waste management, and efficient municipal services. Meeting these growing needs cannot rely on public financing alone — **leveraging private sector investment, expertise, and innovation is critical for sustainable development**.

Municipal Boards, established under the Urban Areas and Cities (Amendment) Act, 2019, are mandated to engage residents, civil society, and the private sector in planning and service delivery. However, **engagement with private sector actors in Municipality has often been informal, sporadic, and largely regulatory rather than strategic or collaborative**. The absence of structured engagement limits partnerships that could accelerate development and unlock investment.

This **Private Sector Engagement Framework (PSEF)** has been developed exclusively for the Ol Kalou Municipality to provide a coordinated approach for engaging private sector players and ensuring that their resources, innovation, and enterprise contribute to inclusive, resilient, and sustainable urban growth.

1.2 Gender Inclusivity

Gender inclusivity is an essential pillar for equitable development in the Municipality. As the municipality continues to urbanize and expand its commercial activity, planning and service delivery must recognize and respond to the needs of **women, men, youth, persons with disabilities, and the elderly**.

Historically, gender disparities in access to economic opportunities, public spaces, and decision-making have limited the contribution of women and marginalized groups. A gender-responsive approach will help unlock economic participation, improve safety, and promote social cohesion in Municipality.

Importance of Gender-Inclusive Urban Planning in Ol Kalou Municipality

1. **Safety and Mobility**

Women and girls require safe physical environments. In Municipality, street lighting, non-motorized walkways, safe public transport points, and surveillance in trading zones can significantly reduce harassment risks and improve movement to schools, farms, markets, and workplaces.

2. **Economic Empowerment**

Women play a dominant role in agriculture, informal trade, and retail within Municipality. Markets designed with gender considerations — affordable stalls, lockable storage, child-friendly spaces, breastfeeding rooms, and safe sanitation — will expand women's participation and business growth.

3. **Health, Hygiene and Sanitation**

Providing clean public sanitation blocks, menstrual hygiene facilities, waste disposal systems, and disability-friendly toilets enhances dignity and increases women's ability to participate fully in the economy.

4. **Decision-Making & Representation**

Equitable representation of women and youth in municipal forums and private sector platforms strengthens governance and ensures that development decisions reflect the lived experiences of all residents.

5. **Social Cohesion**

Gender-sensitive public spaces such as parks, social halls, and well-managed markets encourage interaction, reduce conflict, and promote peaceful coexistence.

6. **Care Economy and Time Burden Reduction**

Since women often handle domestic care responsibilities, investments in reliable public transport, pedestrian safety, childcare facilities, and digital service access reduce time lost and increase productivity.

Commitments for Gender Inclusion in the Municipality

The Municipality commits to:

- Integrating gender mainstreaming in municipal policies, by-laws, budgeting, and development planning.
- Allocating financial and physical resources for gender-responsive infrastructure — modern markets, public lighting, sanitation, and childcare support.
- Ensuring women and youth are represented in the Municipal Board, citizen forums, business dialogues, and PSEF structures.
- Establishing indicators to track progress on inclusion in service delivery, trading spaces, procurement, and local investment.
- Promoting gender awareness and training for municipal staff, councillors, and private sector partners.
- Supporting women- and youth-led enterprises through market access, digital skills, incubation, and finance linkage programmes.

Gender integration within this PSEF ensures that **private sector partnerships uplift every resident**, delivering fair, inclusive, and sustainable prosperity in the Municipality.

1.3 Rationale for Public–Private Engagement in the Municipality

Kenyan law requires public participation in governance, but to transform the Municipality into a competitive urban centre, structured and purposeful private sector engagement is essential.

The private sector:

- Creates jobs and income for residents.
- Offers investment capital, technology, and specialized expertise.
- Broadens the tax base, increasing municipal revenue for development.
- Enhances innovation — including smart water systems, digital waste management, and clean-energy mobility.

For the Municipality, strategic engagement with private investors will:

- Improve the business environment and increase formalization of enterprises.
- Build mutual trust between business owners and the municipality.
- Align infrastructure development with investor and community needs.
- Attract and retain long-term commercial and industrial investment.
- Accelerate delivery of essential services and expand revenue generation.

While the Urban Areas and Cities (Amendment) Act, 2019 provides for representation of private sector players in citizen forums and advisory platforms, **clear procedures for engagement have been lacking in Municipality**. This PSEF addresses the gap by providing a structured framework through which partnerships, consultations, investment negotiations, and co-creation of solutions can be managed.

With this framework, the Municipality positions itself to become a vibrant, investment-ready, and people-centred urban economy.

Chapter Two: Legal and Policy Alignment

2.1 Introduction

Effective Private Sector Engagement within the Municipality must operate within Kenya's constitutional, statutory, and policy environment. Kenya's legal framework explicitly mandates participatory governance, transparency, and inclusivity, giving municipalities the authority and responsibility to work with private actors in service delivery, revenue generation, infrastructure development, and urban economic growth.

This Private Sector Engagement Framework (PSEF) for **Ol Kalou Municipality** is therefore not a new policy invention—it is an **operationalization of existing laws** that empower municipalities to harness private sector innovation, investment capacity, and technical expertise. It provides the structure through which Municipality can attract investment, co-implement development projects, expand services, and stimulate sustainable urban growth.

2.2 National Legal Frameworks Enabling Private Sector Engagement

2.2.1 Constitution of Kenya, 2010

The Constitution establishes **public participation, equity, accountability, competitiveness, and innovation** as guiding principles of governance (Articles 10, 174, and 232).

These principles empower the Municipality to enter structured collaborations with private actors in areas such as solid waste management, market modernization, agro-industrial development, real estate, local manufacturing, and public utilities.

2.2.2 County Governments Act, 2012

Section 91 mandates counties to establish mechanisms for engagement with businesses, investors, and professional bodies.

This framework provides the **administrative and participatory legitimacy** for the Municipality to collaborate with business associations, industries, SMEs, and cooperatives in planning and implementation of municipal development programs.

2.2.3 Urban Areas and Cities (Amendment) Act, 2019

This Act is the core legal foundation for municipal governance and private sector integration.

It provides for:

- Municipal Boards with private sector representation
- Citizen forums for business consultation and feedback
- Delegated mandates over urban services, markets, street lighting, transport regulation, and infrastructure delivery

The Municipality therefore has **legal authority to co-design, finance, manage, and regulate urban development with private partners.**

2.2.4 Public Finance Management (PFM) Act, 2012

The PFM Act enables municipalities to access and manage development funds transparently.

It also supports:

- Public–Private Partnerships (PPPs)

- Performance contracting with private entities
- Co-financing of revenue-generating urban investment

This gives Municipality fiscal space to partner with investors in real estate, green energy, stormwater systems, roads, markets and waste management.

2.2.5 Access to Information Act, 2016

The Act guarantees access to municipal procurement plans, budgets, contracts, and investment proposals.

This transparency builds trust and provides investors with the data needed for **informed decision-making and due diligence.**

2.3 Supporting Sectoral Laws Relevant to the Municipality

Legal Framework	Relevance to the Municipality
Public Procurement and Asset Disposal Act, 2015	Enables private firms to bid for municipal contracts fairly and competitively.
Public-Private Partnerships Act, 2021	Allows PPPs in markets, affordable housing, renewable energy, public transport terminals, and waste management infrastructure.
Business Registration Service Act, 2015	Simplifies licensing processes and supports formalization of SMEs within the municipality.
Micro and Small Enterprises Act, 2012	Supports linkage with MSMEs in Jua Kali, agro-trading, retail, and services to strengthen local economic development.
EMCA, 1999 (Amended 2015)	Ensures private development complies with environmental standards. Key for industrial parks, land development and waste projects.
Public Health Act (Cap 242)	Enables health-compliant partnerships in solid waste management, drainage, sanitation, and food markets.

Legal Framework	Relevance to the Municipality
Physical and Land Use Planning Act, 2019	Gives the Municipality authority over development approvals, zoning regulation, and land-use planning affecting private investments.
Climate Change Act, 2016	Supports climate-smart private investments in solar energy, waste-to-energy, water security, and green infrastructure.

2.4 County-Level and Municipal Instruments

2.4.1 Nyandarua County Public Participation and Civic Education Act, 2016

Provides the statutory basis for the Municipality to engage the private sector through citizen forums, consultations, and budget engagement processes. It also mandates resource allocation to support structured civic engagement.

2.4.2 County Integrated Development Plan (CIDP)

CIDP identifies priority areas where private investment is essential, including:

- Agro-processing and value addition
- Urban housing and settlement expansion
- Market modernization and logistics
- Renewable energy and waste management
- ICT integration in trade and service delivery

2.4.3 Nyandarua County Spatial Plan

Defines industrial zones, transport corridors, central business district expansion areas, and green spaces.

This plan guides investors by ensuring **predictability in zoning approvals and infrastructure integration.**

2.4.4 Municipal Charter & Executive Orders

Ol Kalou Municipal Charter delegates urban functions including markets, waste management, stormwater, local roads, physical planning, and business licensing. This legally empowers the municipality to **structure investment agreements, concessions, PPPs, and service outsourcing contracts directly with private stakeholders.**

2.5 National and Global Policy Alignment

Agenda	Relevance to Municipality
Kenya Vision 2030	Promotes private sector as engine of urban industrialization and job creation.
Bottom-Up Economic Transformation Agenda (BETA)	Emphasizes urban agribusiness value chains, MSME support, and affordable housing.
SDGs (11 & 17)	Sustainable cities and partnerships underpin trade, green energy, and waste management projects.

2.6 Conclusion

The legal and policy environment strongly supports structured private sector engagement in the Municipality. With authority granted by national laws, county legislation, and municipal charter, Ol Kalou is fully empowered to implement PPPs, scale investments, expand service delivery, and strengthen urban economic resilience.

Chapter Three: Geographic and Socio-Economic Context

3.1 Introduction

Understanding the physical, demographic, and economic context of the Municipality is central to designing a meaningful PSEF.

Geography influences land use, investment corridors, and agricultural productivity, while socio-economic characteristics determine the scale and nature of private sector participation.

This chapter highlights the municipal context within which private stakeholders operate and identifies areas with high investment attractiveness.

3.2 Geographic Overview

The Municipality is the **administrative and commercial heart of Nyandarua County**.

Located on a gently rolling plateau west of the Aberdare Ranges, the municipality experiences:

- Cool climate (**10–20°C**)
- Reliable rainfall well-suited for horticulture and dairy
- High-quality soils ideal for potato and vegetable production

Its strategic position offers seamless connectivity to:

Nakuru • Nyahururu • Gilgil • Nairobi • Nyeri • Laikipia
through an expanding network of tarmac and gravel roads.

3.3 Population and Urban Structure

- Estimated population: **~95,385 (urban + peri-urban)**
- Rapid household growth driving demand for housing, utilities, markets, and waste systems
- Expanding CBD with dynamic retail, transport, hospitality and service sectors
- Peri-urban zones converting rapidly from farmland to residential and commercial property

Population growth is a primary driver of **infrastructure, housing, trade, sanitation, and employment demand**, making private sector collaboration urgent and valuable.

3.4 Economic Structure

The Municipality's economy is anchored by **agriculture-commerce linkages**.

Key sectors include:

- Dairy and potato value chains
- Wholesale and retail trade
- Agro-processing and packaging
- Transport (boda boda, matatu, trucking)
- Construction and real estate
- Banking and ICT services

Emerging high-value areas for investment:

Sector	Opportunity
Agro-industrial processing	Potatoes, milk products, animal feeds, horticulture value addition
Urban infrastructure	Markets, bus parks, stormwater drainage, street lighting

Sector	Opportunity
Green energy	Solar mini-grids, methane recovery, waste-to-energy solutions
Housing	Affordable rentals, gated estates, student and worker accommodation
ICT-enabled services	Digital licensing, e-business incubation hubs

3.5 Urban Development Challenges

Despite growth potential, certain challenges create investment gaps—also opportunities:

Challenge	Private Sector Opportunity
Growing solid waste volumes	Waste collection franchises, recycling plants, composting
Limited cold-chain & storage	Cold rooms, potato stores, milk chilling facilities
Traffic congestion & town layout strain	Smart parking, bus terminus PPPs, road servicing
Rising informal trade pressure	Modern markets, trader-friendly business zones

3.6 Implications for the PSEF

Given its economic profile, the Municipality's PSEF should prioritize engagement in:

1. Urban Infrastructure Development

Markets, waste management, parking, transport terminals, housing.

2. Agro-Industrial Value Chains

Cold storage, processing plants, distribution networks.

3. MSME Support and Business Formalization

Licensing reforms, incubation, credit linkages, digital solutions.

4. Green and Smart City Investments

Solar street lighting, waste-to-energy, climate-adaptive drainage systems.

A well-structured engagement approach will make the Municipality a **competitive investment destination**, stimulate job creation, and promote sustainable urbanization.

Chapter Four: Institutional & Governance Structures

4.0 Institutional & Governance Structures for the Municipality

Effective private sector engagement in the Municipality requires a well-defined governance framework that outlines the roles, responsibilities, and interaction mechanisms between municipal authorities, private enterprises, development actors, and residents. The Municipality, as the headquarters and commercial nerve centre of Nyandarua County, hosts the largest concentration of businesses, government services and agro-based trade activities, making it a strategic location for structured public-private collaboration.

This chapter identifies key actors in the Municipality and their roles in implementing a Private Sector Engagement Framework (PSEF) that fosters inclusive economic development, job creation, resilience, and improved service delivery.

Key Actors and Their Roles in the Municipality

Actor	Roles and Responsibilities
National Government Institutions	<ul style="list-style-type: none"> - KNBS supports development of a harmonized business database for Municipality and guides enterprise classification using KeSIC. - MSEA facilitates formalization of Micro and Small Enterprises (MSEs), business incubation, capacity building and access to credit for traders and Jua Kali enterprises. - State Departments for Housing, Urban Development, Trade and Industrialization offer policy direction, technical support and resource mobilization for urban development and investment promotion.
County Government of Nyandarua	<ul style="list-style-type: none"> - The Governor and County Executive ensure alignment between municipal priorities and CIDP, County Spatial Plan, and BETA. - CECM for Trade & Industrialization supports business development, formalization and private sector linkages. - CECM for Lands, Housing & Urban Development guides zoning, land use approvals and municipal infrastructure development. - County Treasury & County Revenue Board administer SBP, collect business data and streamline revenue collection. - County Investment Authority facilitates investor attraction, feasibility studies and investment packaging for agro-processing, manufacturing and commercial estates in the Municipality.
Municipal Board	<ul style="list-style-type: none"> - Leads implementation and integration of PSEF into the Municipal Integrated Development Plan (IDeP), Annual Work Plans and Budgets. - Urban Manager coordinates stakeholder engagement and Private Sector Dialogue Forums.

Actor	Roles and Responsibilities
	<ul style="list-style-type: none"> - Board champions initiatives in market modernization, solid waste innovation, digital trading platforms, street lighting, and small industry parks.
Private Sector Actors	<ul style="list-style-type: none"> - Formal Enterprises: Financial institutions, hotels, agro-processing firms, construction contractors, ICT firms, input suppliers, transport and logistics operators. - Informal Sector/MSEs: Open air traders, food vendors, Jua Kali artisans and agricultural produce dealers. PSEF supports gradual formalization and capacity building. - Associations/Cooperatives: KNCCI Nyandarua Chapter, Jua Kali groups, SACCOs, dairy cooperatives, potato and horticulture producer groups. These serve as representation vehicles for structured engagement with the municipality.
Development Partners, Academia & Civil Society	<ul style="list-style-type: none"> - UN-Habitat, GIZ, JICA, USAID & other partners support infrastructure planning, climate resilience, waste management, enterprise support, and policy strengthening. - Universities/TVETs (Egerton, DeKUT, local technical institutes) provide research, innovation incubation, and business training. - NGOs and CSOs champion inclusion of youth, women and PLWDs in economic activities, promote environmental protection and social accountability. - Residents and Traders Associations support joint beautification, community safety programs, and licensing compliance.

Benefits of Adopting the Private Sector Engagement Framework in the Municipality

Implementation of the PSEF will deliver measurable development gains including:

1. **Solidified Public–Private Collaboration** through structured dialogue and trust-building.
2. **Economic Growth & Diversification** strengthened by agro-processing, retail expansion, hospitality and manufacturing.
3. **Inclusive Urban Prosperity** by elevating participation of women, youth and PLWDs in enterprise and policymaking.
4. **Improved Ease of Doing Business** through streamlined permits and predictable regulatory processes.
5. **Evidence-Based Planning** enabled by a real-time business registration and mapping database.
6. **Innovation, Skills Development & Green Growth** advanced through research partnerships and urban innovation hubs.

Local Implementation Pathways for the Municipality

The Municipality will operationalize the PSEF through interventions aligned to local economic strengths and urban needs:

Priority Area	Focus Interventions for the Municipality
Agro-Industrial Growth	Establishment of agro-processing parks, potato and dairy value chains, storage and cold chain facilities.
Market Modernization	Upgrading Municipality CBD markets, improving sanitation, digital payment systems, and vendor sheds.

Priority Area	Focus Interventions for the Municipality
Urban Infrastructure for Business	Street lighting, improved roads, drainage, signage, waste-to-energy solutions, safe transport terminals.
Youth, Women & PLWD Enterprise Promotion	Business incubation hubs, SACCO empowerment, low-interest credit linkage and capacity building.
Digital Business Ecosystem	Digitizing business licenses, GIS mapping of enterprises, e-platforms for municipal revenue collection.

Coordination Structure for Operationalizing PSEF in the Municipality

1. County–Municipality Steering Linkage

Chaired by CECM Lands & Urban Development and supported by KNCCI, investment desks and development partners.

2. Municipal Private Sector Engagement Committee (MPSEC)

Led by Urban Manager and includes KNCCI, trader associations, cooperatives, banks, hoteliers, transport groups, informal traders, youth and women enterprise representatives.

3. Monitoring, Learning & Reporting

Embedded in the Municipal Annual Development Plan (ADP), quarterly sector review reports and County Annual Progress Review (CAPR).

Sustainability Measures

To institutionalize predictable public–private engagement, the Municipality will:

- Establish a **dedicated PSEF budget line** under its annual plans.
- Develop **MoUs with KNCCI, cooperatives, and investors** on priority projects.
- Integrate PSEF into the **Urban Economic Development Strategy** and municipal planning tools.
- Promote sustained inclusion of **women, youth, and PLWDs** in enterprise leadership and municipal investment programs.

Conclusion

A tailored PSEF for the Municipality provides a strong platform for urban economic transformation driven through public–private collaboration. By aligning actors, institutional roles, and engagement pathways, the Municipality is positioned to accelerate investment, unlock job creation, and enhance service delivery — ensuring long-term shared prosperity for residents, businesses and future investors.

4.1 Governance Anchors

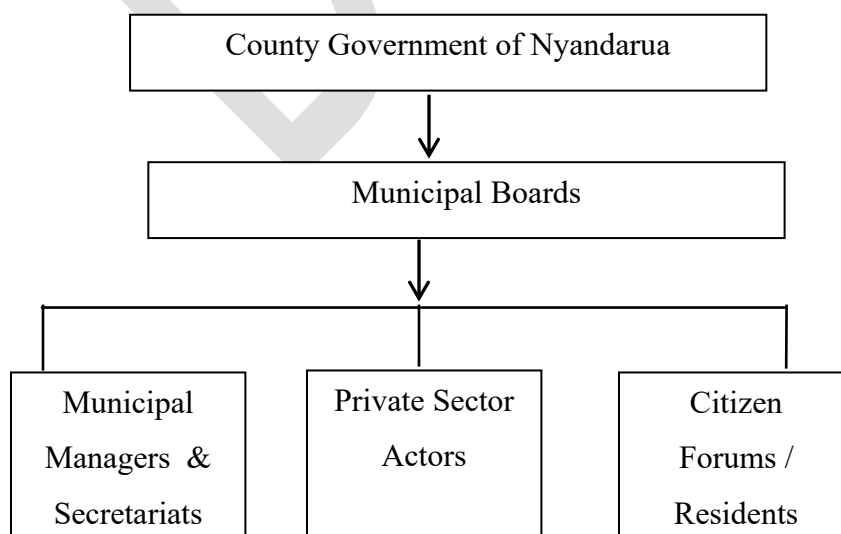
1. **County Government of Nyandarua** – provides overall policy direction, allocates resources, and monitors performance through the County Assembly.
2. **Municipal Board** – operationalizes county policies at municipal level, ensures compliance with the **Urban Areas and Cities Act, 2019**, and convenes stakeholder forums.

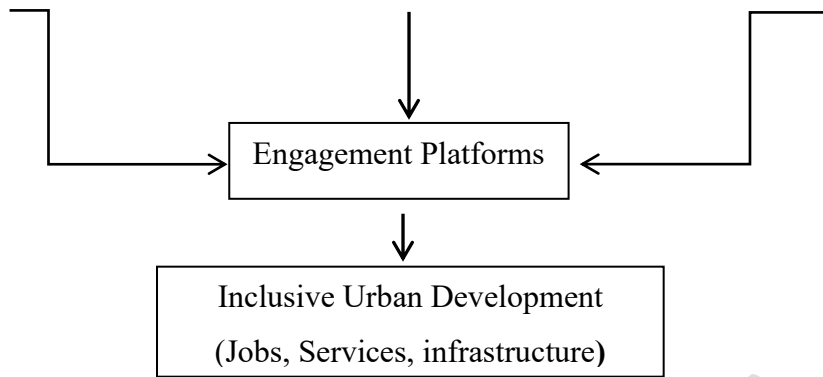
3. **Municipal Manager & Secretariat** – execute daily functions, coordinate engagements, and provide technical support for municipal-private sector collaboration.
4. **Private Sector Actors** – include formal businesses, SMEs, cooperatives, financial institutions, farmers’ associations, and informal 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

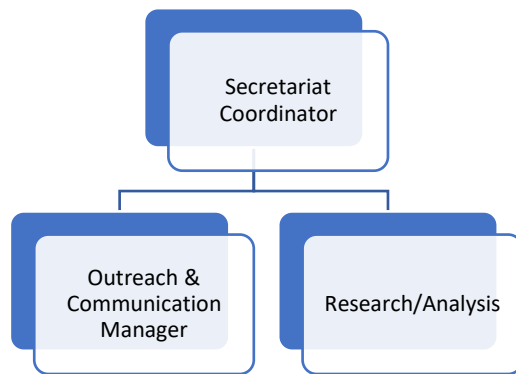
4.3.1 About the PPD secretariats

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).

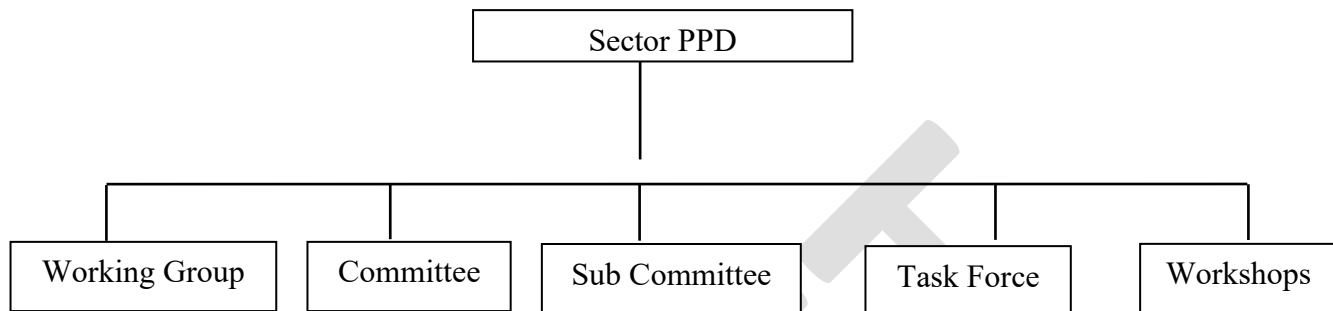
4.3.7 PPD Sector Dialogue Platforms, i.e. Working Groups, Sub Committees, Task Forces

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



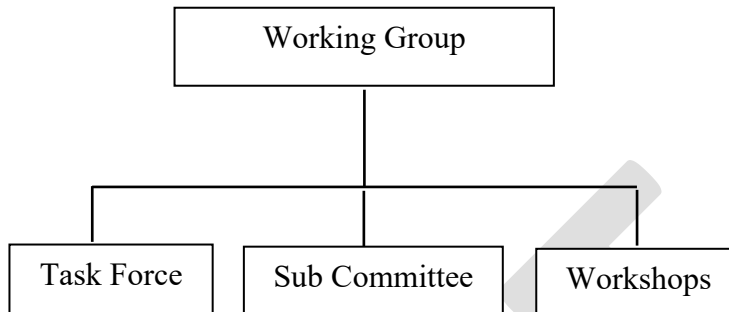
Building routines for the preparation, conduct and follow up to working groups and other platforms under the Municipal PPD structure are the subject of this section.

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.

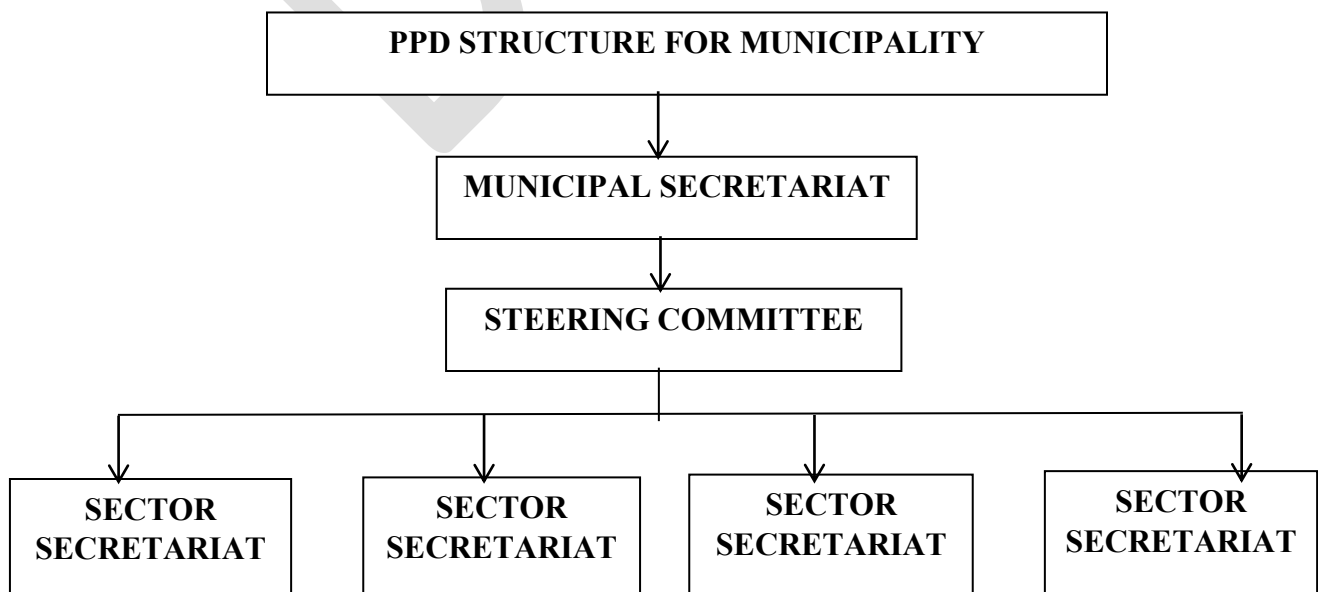
Task Force: A task force meets with a limited objective. It will be created to include technical counterparts from the public and private sector. The purpose of the Task Force will be to provide an intense focus on an issue that could not be resolved in the WG but where the reason for it not being resolved 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





WGs



WGs

DRAFT

Chapter Five: Strategies for Engagement

Private sector engagement in Ol Kalou Municipality must be systematic, inclusive, and anchored in the municipality's urban development aspirations — particularly its role as Nyandarua County's administrative, commercial, manufacturing and service hub. The municipality hosts vibrant micro and small enterprises, agro-based value chains, expanding real estate and hospitality sectors, and a growing population that demands efficient urban services.

This chapter outlines strategic pathways for **deepening collaboration between the Municipality and the private sector**, focusing on avenues that promote business growth, infrastructure development, employment creation, and improved service delivery.

5.1 Dialogue and Consultation Platforms

1. Municipality Public-Private Dialogue (PPD) Forums

- Convened quarterly and chaired by the Municipal Board.
- Brings together business associations, agro-processors, service providers, transport and logistics operators, SMEs, cooperative unions, and informal sector representatives.
- Expected outcomes: policy recommendations, problem-solving, improved regulatory clarity, and investment alignment.

2. Sector-Specific Roundtables

Targeting the Municipality's priority economic pillars:

- Agriculture & Agro-Processing (potatoes, dairy, poultry, horticulture)

- Retail & Wholesale Trade
- Construction & Real Estate
- Water, Sanitation & Waste Management
- ICT, Digital Business & Innovation

These platforms will support evidence-based discussions and tailored policy action.

3. Citizen–Business Consultative Forums

- Institutionalized under the Urban Areas and Cities (Amendment) Act, 2019.
- Provides channels for shared decision-making between businesses, residents, and the Municipal Board on planning, land use, infrastructure, and service delivery.

5.2 Policy Co–Creation and Regulatory Support for the Municipality

- Drafting municipal by-laws jointly with private sector actors to enhance compliance and buy-in.
- Streamlined business licensing, fair market fees, and predictable development control systems.
- Explore tax incentives and conditional fee waivers for businesses investing in:
 - Roads, drainage, and water infrastructure
 - Smart market systems
 - Renewable energy solutions
 - Inclusive social enterprises (youth/women-led)

5.3 Joint Investment Models for the Municipality

1. Public-Private Partnerships (PPPs)

- Applicable to market modernization, sewer expansion, solid waste facilities, and digital infrastructure.
- Revenue sharing frameworks to ensure sustainability.

2. Corporate Social Responsibility (CSR) Alignment

- Mobilize corporate and banking sector CSR toward schools, green parks, public health, sanitation and street lighting.

3. Blended Financing

- Leverage government funds, development grants, and private capital to support:
 - Non-motorized transport corridors
 - Liquid and solid waste infrastructure
 - Affordable housing schemes

5.4 Innovation & Technology Integration

- Develop e-licensing, e-permits, and automated revenue collection systems.
- Collaborate with ICT firms and universities to create innovation labs and digital skills hubs.
- Promote green tech adoption in waste conversion, recycling, solar street lighting, and water treatment.

5.5 Capacity Building & Skills Development

- Joint municipal-private training on PPP negotiation, contract administration, and service-level monitoring.
- Collaboration with technical institutes to develop workforce skills in construction, ICT, agro-processing, transport, and energy.

- Establish a business incubator for start-ups in agritech, creative economy and digital trade.

5.6 Monitoring and Mutual Accountability

- Create a Joint Engagement Accountability Committee under the Municipal Board.
- Track performance through measurable KPIs: licensing timelines, investment inflows, infrastructure progress, job creation.
- Publish Annual Private Sector Engagement Scorecards for transparency.

ENGAGEMENT CYCLE FOR THE MUNICIPALITY

A continuous cycle of **Dialogue** → **Co-design** → **Investment** → **Implementation** → **Review**, reinforcing trust and joint economic development.

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

6.1 Introduction

To achieve inclusive, investment-driven, and sustainable urban development, Ol Kalou Municipality requires a consistent, institutionalized platform for structured engagement between public sector authorities and private sector actors. The **Public–Private Dialogue Forum (PPDF)** serves this function — enabling coordinated consultation, policy co-creation, and joint problem solving with businesses, cooperatives, technical institutions, investors, and development partners.

Through this platform, the Municipality will strengthen trust, enhance transparency, promote business-enabling reforms, and foster shared accountability for urban transformation and economic growth.

6.2 Objectives of the Municipality PPDF

The PPDF aims to:

1. Facilitate regular and structured engagement between the Municipality and private sector stakeholders.
2. Identify and resolve regulatory, infrastructure, and service delivery constraints affecting businesses.
3. Support joint planning, investment prioritization, and monitoring of Private Sector Engagement Framework (PSEF) actions.
4. Promote private sector participation in urban service delivery, infrastructure development, and PPP projects.

5. Strengthen economic inclusion by ensuring active representation of women, youth, and persons with disabilities (PWDs).

6.3 Structure of the Municipality PPDF

The PPDF will operate under a **two-tier structure focused solely on the Municipality**:

(a) Municipal-Level PPDF — Main Forum

Convened by: The Urban Manager under the authority of the Municipal Board Chairperson.

Mandate:

- Address business environment challenges within Ol Kalou town and surrounding service zones.
- Provide input into the **Municipal Integrated Development Plan (IDeP)** and **Annual Investment Plan (AIP)**.
- Identify opportunities for co-financing, PPP models, and innovation-driven partnerships.

Membership:

- Municipal Board Members
- KNCCI – Nyandarua Chapter (Municipality representation)
- Jua Kali Association representatives
- Market traders and business associations
- Boda boda and logistics groups
- Women, Youth & PWD enterprise groups
- Banks, SACCOs, MFIs and cooperatives
- Local CSOs, NGOs, training and research institutions

- County technical officers (Trade, Urban Development, Lands, Public Health, Environment, Planning)

(b) Sector Working Groups (SWGs) – Municipality Thematic Units

To provide technical inputs and in-depth discussion, the Municipality shall establish SWGs reporting directly to the PPDF:

1. Agro-Processing & Value Addition SWG
2. Markets, Trade & Informal Economy SWG
3. Infrastructure, Transport & Urban Services SWG
4. Finance, Enterprise Growth & Investment SWG
5. Green Economy, Waste Management & Innovation SWG

These SWGs will prepare proposals, investment cases, and reforms for PPDF decision-making.

6.4 Operational Framework of the Municipality PPDF

(a) Meeting Frequency

- **PPDF Main Forum:** Quarterly
- **Sector Working Groups:** Monthly or as required
- **Special Meetings:** Convened when urgent business matters arise

(b) Secretariat

Hosted under the **Office of the Urban Manager**, responsible for:

- Invitations, agenda preparation, and facilitation
- Documentation of minutes and action plans
- Follow-up on resolutions and progress reporting
- Data integration from Municipal Private Sector Database

- Maintaining stakeholder communication and transparency

(c) Decision-Making & Reporting

- Decisions reached through **consensus** and formally recorded.
- All resolutions documented in a **PPDF Implementation Matrix**.
- Quarterly progress reports submitted to the Municipal Board.
- Outputs feed into annual planning instruments including:
 - Municipal IDeP
 - Annual Investment Plan (AIP)
 - Municipal Budget and Work Plan

6.5 Guiding Principles

1. **Inclusivity:** Representation of all enterprise categories — women, youth, PWDs, informal and formal sectors.
2. **Transparency:** Open communication, accessible records, feedback mechanisms.
3. **Evidence-Based Dialogue:** Data from diagnostics and private sector profiling inform proposals.
4. **Mutual Benefit:** Decisions geared toward shared value — growth, jobs, competitiveness.
5. **Sustainability:** PPDF institutionalized through legal, planning and budget systems.

6.6 Roles and Responsibilities

Actor	Key Functions in the Municipality PPDF
Municipal Board	Strategic leadership, policy direction, approval of dialogue resolutions, mainstreaming outputs into IDeP and budget.

Actor	Key Functions in the Municipality PPDF
Urban Manager (Secretariat Lead)	Organize meetings, link stakeholders, compile reports, track implementation, maintain participation inclusivity.
Private Sector Stakeholders	Present business challenges, propose reforms, co-create solutions, participate in PPP and investment partnerships.
Financial Institutions & Cooperatives	Support enterprise financing, credit products, business advisory services.
Development Partners, Academia & CSOs	Provide research, innovation support, technical assistance, capacity building and co-financing for projects.

6.7 Outputs and Deliverables

The Municipality PPDF will produce:

- **Quarterly Dialogue Outcome Reports**
- **Annual Municipal Business Environment Index (BEI)**
- Policy & regulatory reform proposals for implementation
- **MoUs & PPP frameworks** for projects such as markets, waste management, NMT pathways, digitalization, street lighting
- Skills training, incubation and enterprise growth programs

6.8 Sustainability Measures

To maintain functionality and long-term relevance:

- Dedicated **budget line** for PPDF operations within the Municipal Work Plan
- Integration of dialogue resolutions into planning & budgeting cycles

- **Digital stakeholder engagement portal** for continuous feedback
- Continuous capacity building on PPPs, negotiation, governance
- Annual review forum to evaluate progress and reset priorities

6.9 Expected Outcomes for the Municipality

1. Institutionalized and continuous government–business cooperation.
2. Improved ease of doing business and municipal investment climate.
3. Increased participation of youth, women and PWD enterprises.
4. Jointly funded and co-executed infrastructure and service projects.
5. Expansion of MSMEs, agro-processing, innovation and digital enterprises.
6. Higher revenue generation and stronger economic resilience.

6.10 Conclusion

The Public–Private Dialogue Forum provides a cornerstone for the municipality’s transformation into a dynamic, competitive and investor-ready municipality. Through structured dialogue, evidence-driven decision-making and shared accountability, Municipality can unlock urban investment, stimulate enterprise growth, and deliver sustainable prosperity for residents.

Chapter Seven: Capacity Building and Implementation Arrangements

7.1 Introduction

Effective operationalization of the Private Sector Engagement Framework (PSEF) in **Ol Kalou Municipality** depends on the strength of institutional structures, availability of skilled personnel, enabling systems, and a coordinated implementation approach. Building capacity among municipal actors, strengthening private sector readiness, and enhancing collaboration mechanisms will be critical to unlocking investment opportunities, fostering enterprise growth, and improving quality of urban service delivery in the Municipality.

This chapter provides a detailed implementation and capacity development plan strictly tailored to **the Municipality**, outlining institutional arrangements, skills development strategies, investment mobilization approaches, and phased implementation timelines.

7.2 Institutional Framework for Implementation

Implementation of PSEF will be anchored in the institutional governance structures of **the Municipality**, guided by:

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

a) Role of Nyandarua County Government (Supportive – Policy & Funding Layer)

While execution is municipal-led, the County Government will:

- Align PSEF strategies with CIDP, ADP, and other county development blueprints.
- Provide funding support to Municipality PSEF programs.
- Facilitate linkages with development partners and national agencies.
- Provide technical and policy backstopping.
- Monitor performance through county planning and finance structures.

b) Municipality – Primary Implementing Entity

The Municipality shall be the **lead and accountable entity** for PSEF delivery.

Key responsibilities include:

- Convening and managing Municipality Private Sector Dialogue Forums.
- Updating and maintaining the Municipality Business/Investor database.
- Integrating PSEF priorities into the Municipal Integrated Development Plan (IDeP).
- Mobilizing investment, coordinating PPP projects, and reporting outcomes.
- Driving policy reforms that improve the business climate in the Municipality.

c) Private Sector, Development Partners & Business Associations

- Provide investment capital and technical expertise.
- Co-design sustainable partnerships in areas like waste management, market modernization, agro-value chains, ICT infrastructure, low-cost housing, energy, tourism, etc.
- Participate in dialogue platforms and annual municipal review conferences.
- Support innovation, entrepreneurship, and skills transfer to SMEs.

d) Civil Society, Academia & Community Actors

- Promote accountability, inclusion, and citizen awareness.
- Support research on business development trends and enterprise growth.
- Facilitate inclusion of women, youth, PWDs and community-based enterprises in PSEF.
- Strengthen monitoring through social audit and civic dialogue.

7.3 Capacity Development Strategy for the Municipality

Capacity building will focus on four pillars:

(i) Institutional Strengthening

- Equip the Municipal Board, PSEF Secretariat, and sector departments with tools to manage partnerships.
- Develop Standard Operating Procedures for engagement, negotiation, investment appraisal and reporting.
- Establish a Municipal PPP Committee and an Investment Facilitation Desk.

(ii) Human Resource and Skills Development

Training will prioritize:

Skillset Area	Target Group
PPP structuring, procurement and contract design	Municipal Technical Staff
Investor & business facilitation	Municipal Planning, Trade & Finance Departments
Conflict resolution & dialogue moderation	PSEF Secretariat
Business analytics, data management,	Municipal ICT and M&E teams

Skillset Area	Target Group
GIS mapping	
Entrepreneurship incubation & business modelling	Youth, women, MSMEs

Other components include mentorship programs, business clinics, and **exchange learning visits to successful municipalities.**

(iii) Systems & Tools Development

- Establish **Municipality Online Business Engagement Portal.**
- Develop digital directories of local manufacturers, traders, transporters, farmers, and investors.
- Introduce a **Municipal Business Environment Competitiveness Index.**
- Integrate PSEF indicators into municipal performance contracts.

(iv) Resource Mobilization & Financing

- Ring-fence annual budget for PSEF activities under Trade & Investment Vote.
- Mobilize donor funding for catalytic projects.
- Explore PPPs, Joint Venture Financing, CSR funds and Municipal Bonds.
- Promote SME grant linkages (Youth Fund, Women Fund, AGPO, Hustler Fund, capital injectors).

7.4 PHASED IMPLEMENTATION PLAN FOR THE MUNICIPALITY

Phase	Timeline	Key Outputs
Phase I (0–12	Establish PSEF structures, Business Stakeholder Registration, Awareness Creation, Digital Stakeholder	

Phase	Timeline	Key Outputs
months)	Mapping	
Phase II (1–3 years)	Full institutionalization of biannual PPD forums, Launch 2–4 pilot PPPs (markets, waste, water, agro-processing, renewable energy), Roll out business incubation & training programmes	
Phase III (3–5 years)	Scale PPPs into large investments, establish Innovation Hub, Reduce licensing time, Increase revenue streams, Annual Scorecards and Business Investor Summits	

7.5 Implementation Matrix for the Municipality

Activity	Lead Actor	Supporting Parties	Timeline	Resource Needs
Establish Municipality Public–Private Dialogue Forum	Municipal Board	Private Sector, PSEF Secretariat	0–6 months	Venue, Mobilization Budget
Develop & Update Investor Database	PSEF Secretariat	ICT, Ward Admins	Continuous (First 12 months priority)	Digital Tools, Staff
Rollout PPP Pilot Projects	Municipal Board	County Executive, Private Sector	Year 1–3	Capital, Expertise
Launch Business Portal & Digital Engagement System	Secretariat + ICT	County ICT + Partners	12–24 months	ICT Infrastructure

Activity	Lead Actor	Supporting Parties	Timeline	Resource Needs
Entrepreneurship & SME Capacity Building	PSEF Secretariat	Universities, TVETs, NGOs	Year 1–3	Trainers, Funding
Annual Municipal Engagement Scorecard	Secretariat	Private Sector Observers, M&E Unit	Yearly	Research Budget

7.6 Risk & Mitigation – Municipality-Specific

Risk	Likelihood	Mitigation
Low private sector confidence	Medium	Trust-building through transparency & incentives
Budget constraints	High	PPPs, donor leverage, CSR integration
Weak data systems	Medium-Low	Digitalization of records & M&E training
Elite capture or political interference	Medium	Clear SOPs, independent oversight
Insufficient technical expertise for PPPs	Medium	Continuous training + technical advisors

Chapter Eight: Monitoring, Evaluation & Learning (MEL)

Monitoring, Evaluation & Learning will ensure that the PSEF remains accountable, transparent, and results-driven. The MEL system will track engagement progress, outcomes of municipal-private partnerships, and impacts on business growth, service delivery, and revenue performance.

8.1 MEL Objectives for the Municipality

1. Track the progress of PSEF implementation over 5 years.
2. Ensure transparent accountability between the municipality and private investors.
3. Measure improvements in business environment indicators.
4. Capture learning to strengthen future PPP transactions.
5. Demonstrate change in job creation, revenue growth and service delivery standards.

8.2 Municipality MEL Framework

Level	Key Questions	Indicators	Data Sources	Frequency
Inputs	Are sufficient resources allocated?	Budget allocation to PSEF, staffing levels	AWP, Budget Books	Annually
Activities	Are engagements happening?	# of dialogues, consultations, capacity trainings	Meeting Minutes, Attendance Logs	Quarterly
Outputs	What has been produced?	# PPP deals, MoUs signed, investor	PPP Files, Agreements	Biannual

Level	Key Questions	Indicators	Data Sources	Frequency
		registrations		
Outcomes	What changes are observable?	Reduced licensing time, new investments operational	Baseline vs Endline comparisons	Annual
Impact	What long-term benefits exist?	Jobs created, OSR growth, living standards improvement	Surveys, Revenue Statements	3–5 years

8.3 Data Collection and Reporting Structure

- PSEF Secretariat = **Lead MEL Unit**
- ICT Portal generates analytics on investor activity.
- Annual Municipal Engagement Report published publicly.
- Scorecards displayed on municipal boards & online dashboard.

8.4 Learning and Adaptation – Municipality Approach

1. **Annual Municipality Investment & Dialogue Conference**
2. **Mid-Term MEL Review (Year 2.5)**
3. Development of **Case Studies on PPP Models (Waste, Water, Agro-hubs, Energy)**
4. Peer municipal benchmarking (preferably to successful towns like Nakuru, Eldoret, Thika)
5. Establish feedback loops into municipal budgeting, policy amendments and land-use planning.

8.5 PSEF Risk Profiling Matrix (Municipality Restricted)

Risk Type	Likelihood	Impact	Mitigation	Owner
Misaligned investor interest	Medium	High	Screening Tool + PPP Approval Framework	PPP Desk
Project cost escalation	Medium	High	Feasibility Studies + Performance Bonds	Finance & Procurement
Market demand fluctuations	Medium	Medium	Scenario Planning + Business Risk Assessments	M&E + Private Sector
Technology Failure	Low	Medium	Pilots before scale-up	ICT + Engineers
Sustainability post-contract	Medium	Medium	Exit Strategy & Handover Plans	Implementation Unit

8.6 Indicator Targets for the Municipality (By Year 3)

Indicator	Target
Number of PPD Forums Held	6 forums within 3 years
% Policies Co-Created with Private Sector	≥60%
PPP Projects Implemented	Minimum 4 functional PPPs
Business Licensing Time	Reduced from current average → 10 days max
Jobs Created via PPPs	3,500–5,000 Jobs
Growth in Municipal OSR	+25% or more

Annexes

Annex 01: Policy Alignment and Linkage of the PSEF

Framework / Policy	Provision / Principle	How the PSEF Supports the Municipality
Constitution of Kenya, 2010	Participation, devolution, transparency, procurement fairness	PSEF institutionalizes business representation in Municipality planning, budgeting, procurement and service delivery decisions.
Kenya Vision 2030	Urban economic transformation and industrial growth	PSEF positions Municipality as an emerging commercial hub through investment, manufacturing, real estate and agro-processing partnerships.
Medium-Term Plan (MTP IV 2023–2027)	PPPs, industrialization, urban development	PSEF serves as the operational interface for investment attraction, industrial parks, cold storage chains, and processing nodes in Municipality.
Nyandarua CIDP III 2023–2027	County priorities & development targets	Ensures private sector recommendations feed directly into Municipality budget priorities such as markets, drainage, transport, street lighting.
Annual Development Plans	Annualized resource allocation	Forum inputs determine municipal investment ceilings, revenue

Framework / Policy	Provision / Principle	How the PSEF Supports the Municipality
(ADPs)		initiatives, and project prioritization yearly.
Municipality Integrated Urban Development & Spatial Plans	Land use & zoning guide	PSEF helps engage developers, contractors and traders in structured land-use planning, market expansion and infrastructure rollout.
Urban Areas and Cities Act	Inclusion in urban management	PSEF operationalizes Municipality private sector representation in Board decisions and forums.
PPADA 2015	Fair access to government contracts	Ensures Municipality MSMEs gain access to procurement opportunities and capacity building for competitiveness.
Public Finance Management Act	Participatory budgeting	Private sector proposals shape municipal budget allocations, revenue reform, and expenditure priorities.
SDGs (Agenda 2030)	SDG 8, 11, 17	Localizes SDGs through jobs, sustainable urban systems, and structured public-private collaboration in Municipality.

Annex 02: Private Sector Database Fields

Data Field	Captured in SBP Form	Additional Fields Required	Purpose for Municipality PSEF Use
Business Name & SBP Number	✓	–	Official business identification.
Registration Number	✓	–	Compliance, formality verification.
Specific Business Location (Ward, Street, Market/Zone)	✓ (basic)	Expanded	Spatial mapping for revenue distribution and planning.
Sector Category (Retail, Agro-processing, Transport, ICT, Real Estate, Hospitality etc.)	✓	–	Sector-based engagement & cluster mapping.
Business Size – Micro/Small/Med/Large	–	✓	Targeted capacity support for SMEs.
Number of Employees	–	✓	Job creation measurement.
Ownership Category (Individual, Partnership, Company, Cooperative, Self-help group)	✓	–	Governance & legal structure.
Contact Person + Role	✓	–	Relationship management.
Contacts (Phone, Email)	✓	–	Communication channel.
Annual Turnover Band	–	✓	Revenue segmentation, tax/revenue

Data Field	Captured in SBP Form	Additional Fields Required	Purpose for Municipality PSEF Use
			planning.
Years in Operation	–	✓	Business survival and stability assessment.
Key Products/Services	✓	–	Value chain integration.
Business Challenges/Constraints	–	✓	Solution-targeted policy dialogue.
Existing Partnerships (PPPs, County supplier, Donor-linked)	–	✓	Mapping linkages & collaboration expansion.
Preferred Forum Areas – (Policy, Trade fair, PPP, Investment round-table)	–	✓	Engagement planning per stakeholder interest.

Annex 03: Annual PSEF Engagement Calendar

Forum	Proposed Time	Purpose and Output
Forum 1 – Private Sector Diagnostic Forum	February – March	Gather business pain-points, infrastructure gaps, licensing challenges, new investment opportunities; input into ADP & municipal budget.
Forum 2 – Accountability &	August – September	Track progress on agreed actions, present budget allocations, review regulation

Forum	Proposed Time	Purpose and Output
Progress Forum		reforms, and co-plan next intervention cycle.

Annex 04: Results Framework (Performance Indicators for the Municipality PSEF)

Objective	Indicator	Baseline 2025	Target 2027	Verification Method
Establish a comprehensive business registry in the Municipality	% of registered businesses captured	0%	80% coverage	Municipal Database, SBP records
Create annual private sector diagnostics	No. of diagnostic reports per year	0	2 reports/year	Publication, Board Reports
Operationalize structured PSEF forums	Annual forum count	0	Minimum 2 per year	Reports, minutes, registers
Improve inclusion	Participation share for women/youth/PWDs	Not tracked	≥30% representation	Attendance registries
Strengthen accountability	% PSEF resolutions integrated into municipal ADPs	0%	≥70% uptake	ADPs, Municipal Plans,

Objective	Indicator	Baseline 2025	Target 2027	Verification Method
				Budget votes
Build municipal-private capacity	No. trained per year	0	20 officers/entrepreneurs annually	Training reports, attendance lists