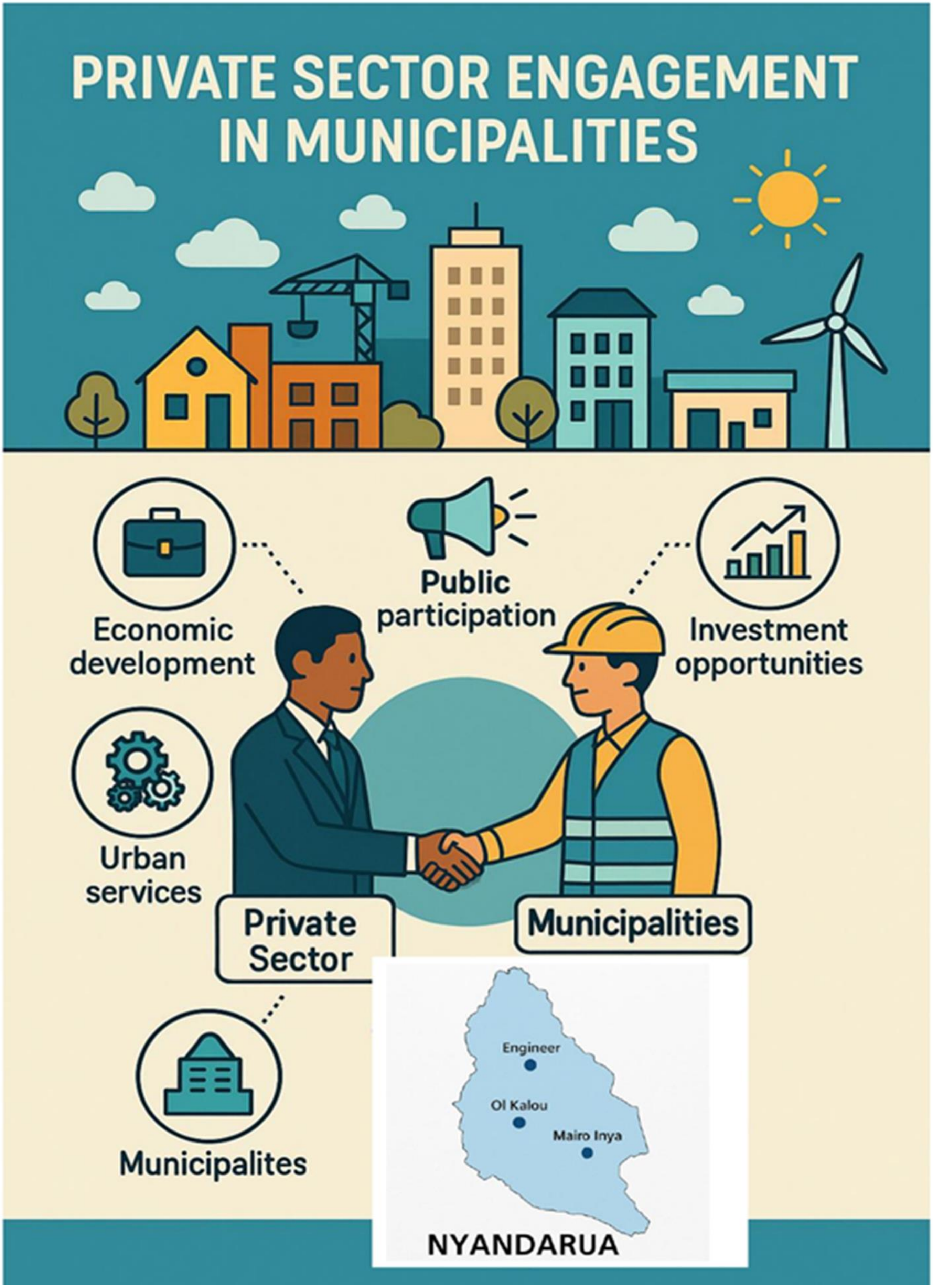

PRIVATE SECTOR ENGAGEMENT IN MUNICIPALITIES
Economic development
Public participation
Investment opportunities
Urban services
Private Sector
Municipalities
Municipalites
Engineer
Ol Kalou
Mairo Inya
NYANDARUA

Foreword

Nyandarua County is undergoing a period of remarkable transformation. With the rapid growth of Ol Kalou, Engineer, and Mairo Inya municipalities as emerging urban centers, the need for robust collaboration between the County Government and the private sector has never been more urgent. Strengthening these partnerships is key to achieving inclusive, sustainable, and resilient economic development for all our people.

The **Private Sector Engagement Framework (PSEF)** establishes a structured platform for dialogue, investment, and collaboration. It provides clear mechanisms for joint planning, resource mobilization, service delivery, and innovation, all critical pillars in accelerating urban development and enhancing the competitiveness of our local economy.

Through this framework, the County Government affirms its commitment to positioning the private sector as a co-creator and key partner in the implementation of the **County Integrated Development Plan (CIDP III, 2023–2027)**. The PSEF is fully aligned with **Kenya's Vision 2030**, the **Bottom-Up Economic Transformation Agenda (BETA)**, and the **Sustainable Development Goals (SDGs)** ensuring that our growth is both inclusive and future-ready.

As the Governor of Nyandarua County, I reaffirm our administration's unwavering dedication to operationalizing this framework and cultivating a business-friendly environment that attracts investment, stimulates innovation, and improves livelihoods across all sectors. Together, with our private sector partners, we will unlock Nyandarua's full potential and build a prosperous future for every resident.

HON. STEPHEN MBURU KINYANJUI KK
COUNTY EXECUTIVE COMMITTEE MEMBER
LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT

Preface

The private sector remains the backbone of Nyandarua County's economy — driving growth, creating jobs, and providing vital income opportunities for our residents. Yet, historically, engagement between the private sector and our municipalities has been largely limited to regulatory interactions such as licensing, revenue collection, and compliance. There has been a clear need for a structured, inclusive, and collaborative platform to foster meaningful dialogue, partnership, and investment.

The Private Sector Engagement Framework (PSEF) responds directly to this need. It institutionalizes engagement between the County Government and the private sector, promoting transparency, trust, and shared responsibility in urban and economic development. Importantly, it embeds inclusivity — ensuring that women, youth, and persons with disabilities are active participants and beneficiaries in Nyandarua's growth journey.

Implementation of this framework will be anchored through the municipal boards of Ol Kalou, Engineer, and Mairo Inya, under the coordination of the County Department of Lands, Physical Planning, Housing, and Urban Development. We call upon development partners, business associations, cooperatives, and community enterprises to align their efforts within this framework and actively contribute to Nyandarua's transformation.

Through stronger partnerships with the private sector, Nyandarua is well-positioned to unlock new opportunities in agro-processing, trade, logistics, ICT, renewable energy, housing, and infrastructure development. Together, we can create an enabling environment that promotes investment, stimulates innovation, and improves the quality of life for all our people.

Acknowledgements

The development of this framework was made possible through the collaboration of multiple stakeholders. The County Government of Nyandarua wishes to acknowledge:

- The Municipal Boards of Ol Kalou, Engineer, and Mairo Inya, for their leadership in convening stakeholders.
- The Kenya National Chamber of Commerce and Industry (KNCCI – Nyandarua Chapter), cooperatives, MSME associations, and private enterprises for their valuable input.
- Development partners including the Kenya Urban Support Programme (KUSP II), who provided technical guidance.
- Civil society and community-based organizations for highlighting inclusivity and social impact considerations.
- The technical working group from the Department of Lands, Housing, Urban Development & Trade for coordinating the drafting process.

This framework is a collective product of dialogue, consultation, and shared vision.

JOSEPHINE MUIRU
CHIEF OFFICER HOUSING AND URBAN DEVELOPMENT

Private Sector Engagement Framework (PSEF) for Nyandarua County Municipalities

(Ol Kalou, Engineer, and Mairo Inya)

October 2025

Vision

A dynamic trend setting municipality, delivering high quality services responsive to the challenges and demands of the residents.

Mission

To provide affordable, accessible high-quality municipal services with responsive local governance.

Core Values

Service Excellence, Integrity, Accountability, Customer focused service, Innovation and Stewardship.

Table of Contents

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.
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

1. To provide a clear framework for collaboration between municipalities, private sector, and development partners.
2. To institutionalize **Public–Private Dialogue (PPD)** mechanisms that promote trust, inclusivity, and accountability.
3. To enhance municipal service delivery and infrastructure development through **Public–Private Partnerships (PPPs)** and other innovative financing models.
4. To promote **job creation, investment, and local economic development (LED)** in line with national and county priorities.
5. 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:

i. **Engagement scorecards** for transparency.
ii. **Annual reviews** to track results.
iii. **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) recognize the **private sector as the engine of economic growth**. With over 80% of Nyandarua County's economy dependent on agriculture, towns like Ol Kalou, Engineer, and Mairo Inya play a pivotal role as **economic and service delivery hubs**, linking agricultural producers to markets, value addition chains, logistics, and retail.

The County's rapid urbanization has intensified demand for better **infrastructure, housing, water, sanitation, solid waste management, and business services**. Meeting these demands requires more than public financing; it requires strong **partnerships between municipalities and the private sector**.

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, many municipalities face **gaps in structured engagement** — interactions with private sector actors are often ad hoc, uncoordinated, or limited to regulatory roles.

This **Private Sector Engagement Framework (PSEF)** provides a structured approach to ensure that private sector energy, innovation, and resources are systematically harnessed for inclusive and sustainable urban development in Nyandarua County.

1.2 Gender Inclusivity

Gender inclusivity is central to equitable and sustainable urban development. As Nyandarua County continues to urbanize, municipalities such as **Ol Kalou**, **Engineer**, and **Mairo Inya** must ensure that urban planning, design, and service delivery are inclusive and responsive to the needs of all genders — women, men, youth, the elderly, and persons with disabilities.

Urban spaces and economic systems often reflect historical inequalities that limit women's and marginalized groups' participation in public life and the economy. A gender-inclusive approach addresses these disparities, promoting fairness, access, and empowerment across municipal planning and operations.

Importance of Gender-Inclusive Urban Planning and Design

1. **Safety and Accessibility**
   Gender-inclusive planning ensures that all residents — particularly men and women — feel safe and can move freely within urban areas. In municipalities like Ol Kalou, Engineer, and Mairo Inya, features such as adequate street lighting, secure pedestrian walkways, and accessible public transport can reduce harassment risks, enhance personal security, and improve access to workplaces, schools, and markets.
2. **Economic Empowerment**
   Women form a large part of Nyandarua's informal and agricultural sectors. Designing market spaces, public facilities, and commercial areas with gender considerations — such as affordable vendor stalls, childcare centers, and safe sanitation facilities — supports women's active participation in trade and entrepreneurship. This inclusivity expands the municipalities' local economic base and contributes to overall prosperity.
3. **Health and Sanitation**
   Inclusive urban design promotes health and dignity by ensuring that sanitation and hygiene facilities meet diverse gender needs. Adequate public restrooms, waste disposal points, and provisions for menstrual hygiene management reduce barriers for women and girls, increasing their participation in economic, social, and civic activities.
4. **Participation in Decision-Making**
   Gender inclusivity in governance means engaging women, youth, and other underrepresented groups in planning and decision-making. Through citizen forums, municipal boards can amplify voices traditionally excluded from urban policy processes. Representation on planning committees and business associations ensures that municipal development priorities reflect the lived realities of all residents.
5. **Promoting Social Cohesion**
   Inclusive public spaces — such as parks, markets, and community centers — designed with gender perspectives foster trust, reduce gender-based violence, and build stronger, more connected communities. Municipalities can use these spaces to promote cultural exchange, civic participation, and gender equality awareness.
6. **Addressing Mobility and Care Economy Needs**
   Women often manage multiple daily trips for caregiving, shopping, and work. Planning for reliable, affordable, and safe public transport — along with pedestrian-friendly streets and

secure cycling routes — supports women’s mobility and reduces time burdens. Such planning enhances productivity and quality of life while improving the overall efficiency of municipal transport systems.

Commitments for Gender Inclusion

To mainstream gender inclusivity in municipal governance and private sector engagement, the municipalities of Ol Kalou, Engineer, and Mairo Inya commit to:

- **Strengthening Legal and Policy Frameworks:** Integrate gender mainstreaming into municipal by-laws, development plans, and budget processes.
- **Allocating Resources for Gender-Sensitive Infrastructure:** Prioritize gender-responsive investments such as safe markets, lighting, sanitation, and childcare facilities.
- **Enhancing Women’s Participation in Governance:** Ensure representation in municipal boards, forums, and partnerships with the private sector.
- **Monitoring and Evaluation:** Establish measurable indicators to track progress on gender inclusion in planning, business development, and service delivery.
- **Promoting Awareness and Capacity Building:** Implement gender-sensitivity training, mentorship programs for women entrepreneurs, and awareness campaigns to challenge stereotypes and promote equality.
- **Youth, Gender, and Inclusivity:** Foster youth- and women-led enterprises through access to finance, business incubation, and digital skills training to expand participation in urban economies.

Integrating Gender into the Private Sector Engagement Framework

Embedding gender inclusion in this PSEF ensures that public–private partnerships benefit all residents equitably. The framework promotes **gender-responsive procurement**, **inclusive stakeholder consultations**, and **gender-balanced representation** in investment forums. By doing so, it creates urban economies that are not only productive but also just and resilient — ensuring that no one is left behind in Nyandarua’s urban transformation.

1.3 Rationale for Public–Private Engagement

Urban development in Kenya is guided by a **constitutional and legal commitment to public participation**. Yet, for municipalities to become engines of growth, **structured private sector engagement is essential**.

The private sector:

- **Drives the urban economy** by creating jobs, generating revenue, and supplying goods and services.
- **Provides capital, technology, and expertise** that can be leveraged for infrastructure and service delivery.
- **Stimulates local tax revenue**, enabling municipalities to finance development.
- **Enhances innovation**, helping to deliver smarter solutions in urban management (e.g., digital systems for waste management, e-mobility, smart water systems).

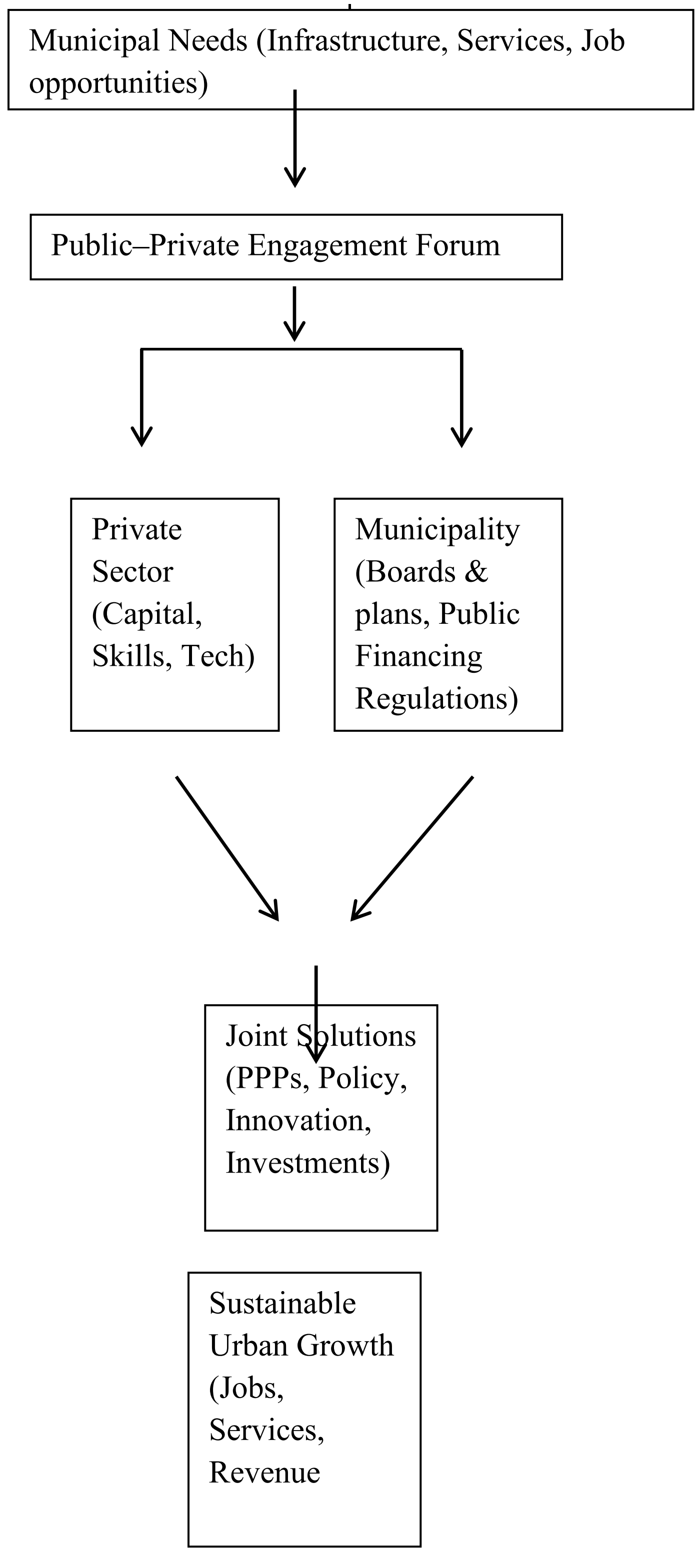
For municipalities, engagement with the private sector:

- Creates **competitive and enabling business environments**.
- Builds trust between local governments and business actors.
- Ensures that **urban policies and investments align with business and citizen needs**.
- Attracts and retains **domestic and foreign investment**.

The **Urban Areas and Cities (Amendment) Act, 2019** requires municipalities to establish mechanisms such as **citizen forums** where the private sector is represented. However, guidance on *how* to structure this engagement has been lacking. This framework fills that gap by offering a **systematic approach** for Ol Kalou, Engineer, and Mairo Inya municipalities to partner with the private sector for **inclusive, accountable, and sustainable urban growth**.

The Logic of Public–Private Engagement in Urban Development

Figure 1: The Public–Private Engagement Cycle for Urban Development



Chapter Two: Legal and Policy Alignment

2.1 Introduction

A strong Private Sector Engagement Framework (PSEF) must be rooted in existing constitutional, legal, and policy frameworks. In Kenya, public participation and stakeholder inclusion are not optional but are legally mandated. At the county and municipal levels, the law requires that residents, civil society, and the private sector are fully involved in planning, budgeting, and service delivery.

The PSEF for **Nyandarua County Municipalities** is therefore not a new or isolated initiative. Instead, it is designed to **operationalize existing legal provisions** and align municipal governance with Kenya’s broader development agenda.

The following legal and policy frameworks provides both the legal mandate and operational space for municipalities and counties to collaborate with non-state actors, including private investors, civil society, and community-based organizations:

1.1 National Legal Frameworks

1. The Constitution of Kenya, 2010

The Constitution forms the foundation for private sector participation in governance and service delivery.

Articles **10**, **174**, and **232** enshrine principles of public participation, transparency, accountability, equity, and inclusivity. These principles legitimize partnerships between public institutions and private actors in achieving shared development goals and fostering efficient urban management.

2. The County Governments Act, 2012

This Act operationalizes devolution and empowers county governments to design participatory governance systems.

Section **91** mandates counties to establish structures for engagement with non-state actors, including the private sector, professional associations, and business groups. It provides a legal basis for counties to co-create development initiatives and integrate private expertise and financing in implementation.

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

This law is central to structured municipal governance and directly embeds private sector participation.
It establishes **Municipal Boards** that include representatives from the private sector and professional organizations, and mandates **Citizen Forums** as inclusive platforms where the private sector, informal traders, and business associations can influence municipal planning, budgeting, and performance review.

4. Public Finance Management (PFM) Act, 2012

The PFM Act ensures prudent financial management and participatory budgeting across all government levels. It allows for **Public-Private Partnerships (PPPs)** in financing and implementing infrastructure and service delivery programs.

The Act provides the fiscal governance framework for private investment participation in municipal projects.

5. Access to Information Act, 2016

Transparency and accountability are prerequisites for credible partnerships between the private sector, the County Government and its municipalities.

This Act guarantees public access to information held by government entities, including municipal budgets, procurement plans, and contracts.

It empowers the private sector with the information necessary to participate meaningfully and monitor governance outcomes.

6. Other Sectoral Laws

Other national-level laws and policies that directly or indirectly enable or regulate **private sector engagement** in county and municipal governance, especially in financing, procurement, partnerships, and service delivery include:

6.1. Public Procurement and Asset Disposal Act, 2015

This Act governs how public entities procure goods, services, and works which is a critical entry point for private sector participation. It ensures that private entities can competitively bid for and implement public contracts at the county and municipal levels.

Through transparency, fairness, and competition provisions, it promotes efficiency and integrity in engagements between municipalities and private service providers.

6.2. Public Private Partnerships Act, 2021 (revised from 2013)

This Act provides the framework for collaboration between public entities and private investors in financing, constructing, and operating infrastructure or public services.
It allows counties and municipalities to structure PPPs for projects such as housing, waste management, markets, renewable energy, and transport systems.

6.3. Business Registration Service Act, 2015

This Act streamlines business registration and licensing in Kenya. It facilitates ease of doing business by reducing administrative barriers for private investors engaging with counties and municipalities.

For municipalities, it supports integration of business data into local planning and taxation systems, strengthening the investment climate.

6.4. Investment Promotion Act, 2004 (Revised 2012)

This Act establishes the Kenya Investment Authority (KenInvest) and provides incentives for both local and foreign investment. It encourages county and municipal governments to create conducive environments for private sector investment in key sectors such as manufacturing, agribusiness, and real estate.

It also supports the alignment of municipal investment promotion strategies with national investment priorities.

6.5. Public Audit Act, 2015

The Act strengthens accountability in the management of public resources. It provides the legal framework for auditing public-private collaborations to ensure value for money, compliance, and transparency.

Municipal boards and county treasuries must adhere to these standards in all private sector engagements to safeguard public interest.

6.6. Public Service (Values and Principles) Act, 2015

This Act operationalizes Article 232 of the Constitution, emphasizing professionalism, integrity, and accountability in public service.

It ensures that municipal officials engaging with private partners uphold ethical standards and fairness in all dealings. It also reinforces transparency and citizen trust in public-private collaboration processes.

6.7. Public Health Act (Cap 242)

This Act is relevant for partnerships in urban health, sanitation, and environmental management. It allows municipalities to collaborate with private entities in solid waste management, public sanitation, and water quality services. These collaborations improve compliance with health standards while expanding service reach.

6.8. Environmental Management and Coordination Act (EMCA), 1999 (Amended 2015)

This is the principal law governing environmental protection in Kenya. It provides for environmental impact assessments (EIAs) in all major public and private projects. For municipalities, EMCA ensures that private sector investments align with sustainable urban development and environmental safeguards.

6.9. Physical and Land Use Planning Act, 2019

This Act guides how land is planned, zoned, and utilized. It empowers county governments and municipal boards to regulate land use and issue development approvals in partnership with developers, investors, and professional bodies. It also ensures that private development aligns with spatial and environmental sustainability goals.

6.10. Climate Change Act, 2016

The Act mainstreams climate resilience in national and county development. It provides for partnerships with private entities in renewable energy, green infrastructure, and sustainable waste management. Municipalities can leverage it to attract green financing and promote low-carbon urban growth.

6.12. Micro and Small Enterprises Act, 2012

This Act promotes and regulates small businesses which form a major segment of the local private sector. It supports collaboration between municipalities and MSMEs in service delivery, trade infrastructure such as markets and jua kali sheds, and local economic development.

The Act also encourages county-level support programs and enterprise incubation.

6.13. Public Finance Management (County Governments) Regulations, 2015

These regulations operationalize the PFM Act at county level. They specify how counties can manage grants, special purpose accounts, and partnerships with external actors, including the private sector.

The regulations are critical for structuring municipal-level financing arrangements for PPPs or co-funded projects.

2.2 County and Local Legal Frameworks

1. Nyandarua County Public Participation and Civic Education Act, 2016

This Act provides a strong legal foundation for structured engagement between the County Government, its municipalities, and non-state actors, including the private sector. It mandates coordination with private entities and other stakeholders in public participation and civic education processes, ensuring inclusivity in county decision-making. Specifically, it emphasizes the creation of citizen forums as spaces for consultation with the widest possible cross-section of society, promoting collaboration, mutual trust, and shared responsibility in governance.

In the context of this Private Sector Engagement Framework (PSEF), the Act reinforces the county's obligation to institutionalize mechanisms for involving the private sector in municipal planning, budgeting, and service delivery. It further provides for budgetary allocation to support participation processes, ensuring that engagement activities are adequately funded and sustainable. This alignment ensures that private sector involvement is not ad hoc, but systematically integrated into governance structures, guided by principles of transparency, inclusivity, and accountability as envisioned under the Constitution of Kenya, 2010.

2. Nyandarua County Integrated Development Plan (CIDP)

The CIDP outlines the county's five-year development priorities and is the primary planning tool that guides budget allocation and partnership focus.

It identifies areas, such as agribusiness, renewable energy, and housing where private sector collaboration is crucial to achieve the county's strategic outcomes.

3. Nyandarua County Spatial Plan 2020 - 2030

This plan provides the spatial logic for development across the county. It defines land-use patterns, investment zones, and infrastructure corridors, creating predictable environments that attract and regulate private investment.

4. Municipal Charters and Executive Order

The respective Municipal Charters for each Municipality and the Executive Order contained in Gazette Notice No. 4698 of 19th April 2024 are instruments that delegate specific functions, such as infrastructure, waste management, and markets, to municipalities.

Each charter, issued under the Urban Areas and Cities Act, empowers municipal boards to coordinate development within their jurisdiction. They authorize structured dialogue and partnership with the private sector in areas such as waste management, local markets, transport, and housing.

2.3 Alignment with National and Global Development Agendas

1. **Kenya Vision 2030**

Anchors Kenya's transformation into a middle-income, industrialized nation through private sector–led growth. It positions counties and municipalities as drivers of industrial, infrastructural, and urban investment.

2. **Bottom-Up Economic Transformation Agenda (BETA)**

Prioritizes inclusive growth in agriculture, MSME development, housing, and infrastructure. It underscores the role of municipal-private collaboration in unlocking grassroots economic opportunities.

3. **UN Sustainable Development Goals (SDGs)**

Goal **11** on Sustainable Cities and Communities) and Goal **17** on Partnerships for the Goals emphasize collaboration between public institutions and private sector actors to achieve sustainable urbanization and effective service delivery.

4. **African Union Agenda 2063**

Focuses on inclusive growth, regional integration, and sustainable cities, encouraging partnerships that leverage private capital and innovation for Africa's urban transformation.

2.4. Conclusion

Together, the above listed legal and policy instruments provide a robust enabling environment for private sector engagement at the county and municipal levels. They affirm the legitimacy of collaborative governance, create clear roles for private sector representation, and establish the financial and accountability mechanisms necessary for sustainable partnerships.

Chapter Three: Geographic and Socio-Economic Context

3.1 Introduction

Understanding the **geographic and socio-economic realities** of Nyandarua County's municipalities is critical to designing an effective Private Sector Engagement Framework (PSEF). Geography determines settlement patterns, infrastructure demand, and investment opportunities, while socio-economic characteristics define the private sector landscape, from agribusiness to trade, services, and manufacturing.

Nyandarua County hosts three gazetted municipalities—**Ol Kalou, Engineer, and Mairo Inya**—each with distinct geographic features, economic drivers, and development challenges. Together, these municipalities form the backbone of Nyandarua's urban system, linking rural agricultural production with regional and national markets.

3.2 Nyandarua County Overview

Nyandarua County is located in **Central Kenya**, bordered by Nakuru, Laikipia, Nyeri, and Murang'a Counties. It lies on the **Aberdare Ranges** to the east and the **Great Rift Valley escarpment** to the west. The county is characterized by:

- **High-altitude plateau and valleys**, making it one of Kenya's leading potato and vegetable-producing regions.
- **Cool climate**, with temperatures averaging between 10–20°C.
- **Reliable rainfall** that supports year-round farming.
- **Transport corridors** linking the county to Nairobi, Nakuru, Nyahururu, and Naivasha.

Agriculture is the dominant economic activity, but urban centers are increasingly emerging as **trade and service hubs**, hosting financial services, agro-processing industries, retail trade, transport services, and light manufacturing.

3.3 Municipality Profiles

The population growth rate in Nyandarua is approximately 3.3% per year.

(a) Ol Kalou Municipality

- **Status**: County headquarters and largest municipality.
- **Geography**: Located on a plateau west of the Aberdare ranges.
- **Economy**: Administrative services, wholesale and retail trade, transport, agro-processing (potatoes, dairy, horticulture).
- **Population**: Approx. 95,385 (urban and peri-urban combined).
- **Opportunities**: Strong potential for **industrial parks**, cold storage facilities, financial services, and ICT-enabled businesses.

(b) Engineer Municipality

- **Status**: Growing commercial hub in the southern part of Nyandarua.
- **Geography**: Lies near the Aberdare slopes, with fertile soils and reliable rainfall.
- **Economy**: Agribusiness (dairy, potatoes, maize), retail and wholesale markets, transport, and small-scale manufacturing.
- **Population**: Approx. 114,041
- **Opportunities**: Agro-processing (dairy, horticulture), hospitality, and renewable energy.

(c) Mairo Inya Municipality

- **Status**: A vibrant trade and transport hub in northern Nyandarua, strategically positioned along major highways linking to Laikipia and Baringo.
- **Geography**: Transitional landscape between highland and Rift Valley ecosystems.

- **Economy**: Lively open-air markets, cross-county trade, transport services, and livestock marketing.
- **Population**: Approx. 71,339.
- **Opportunities**: Logistics, wholesale trade, livestock value chains, transport infrastructure, and warehousing.

3.4 Comparative Analysis

Table 2: Geographic and Socio-Economic Features of Ol Kalou, Engineer, and Mairo Inya Municipalities

Feature	Ol Kalou	Engineer	Mairo Inya
Administrative Role	County HQ, administrative & political center	Secondary hub, southern gateway	Northern trade & transport hub
Geography	Plateau near Aberdares, central location	Near Aberdare slopes, fertile soils	Rift Valley escarpment zone, transitional
Population (approx.)	95,385	114,041	71,339
Economic Base	Services, agro-processing, retail trade	Agribusiness, manufacturing, trade	Cross-county trade, livestock, logistics
Key Opportunities	Industrial parks, ICT, cold storage, finance	Dairy & horticulture value addition, energy	Transport, warehousing, livestock markets
Challenges	Congestion, solid waste, infrastructure gaps	Informal trade regulation, water services	Poor road networks, urban planning gaps

3.5 Strategic Implications for PSEF

The differences among the three municipalities suggest that **private sector engagement strategies must be context-specific**:

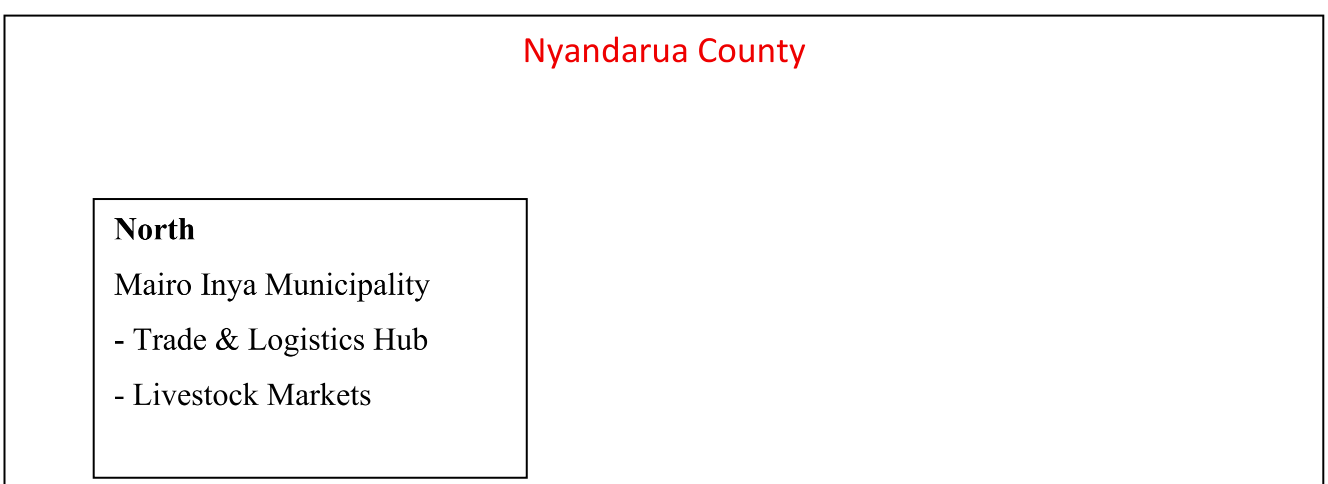
- In **Ol Kalou**, priority lies in **formalizing the service economy and building agro-industrial capacity**.

- In **Engineer**, opportunities center on **agro-processing and energy partnerships**.
- In **Mairo Inya**, emphasis should be on **logistics, livestock, and cross-border trade infrastructure**.

By tailoring engagement to these unique contexts, the PSEF ensures that all municipalities maximize their comparative advantages while contributing to county-wide economic growth.

Map-style Diagram of the Three Municipalities

Figure 3: Geographic Placement of Ol Kalou, Engineer, and Mairo Inya within Nyandarua County



Ol Kalou Municipality (**Center**)

- County HQ

- Admin & Agro-processing Hub

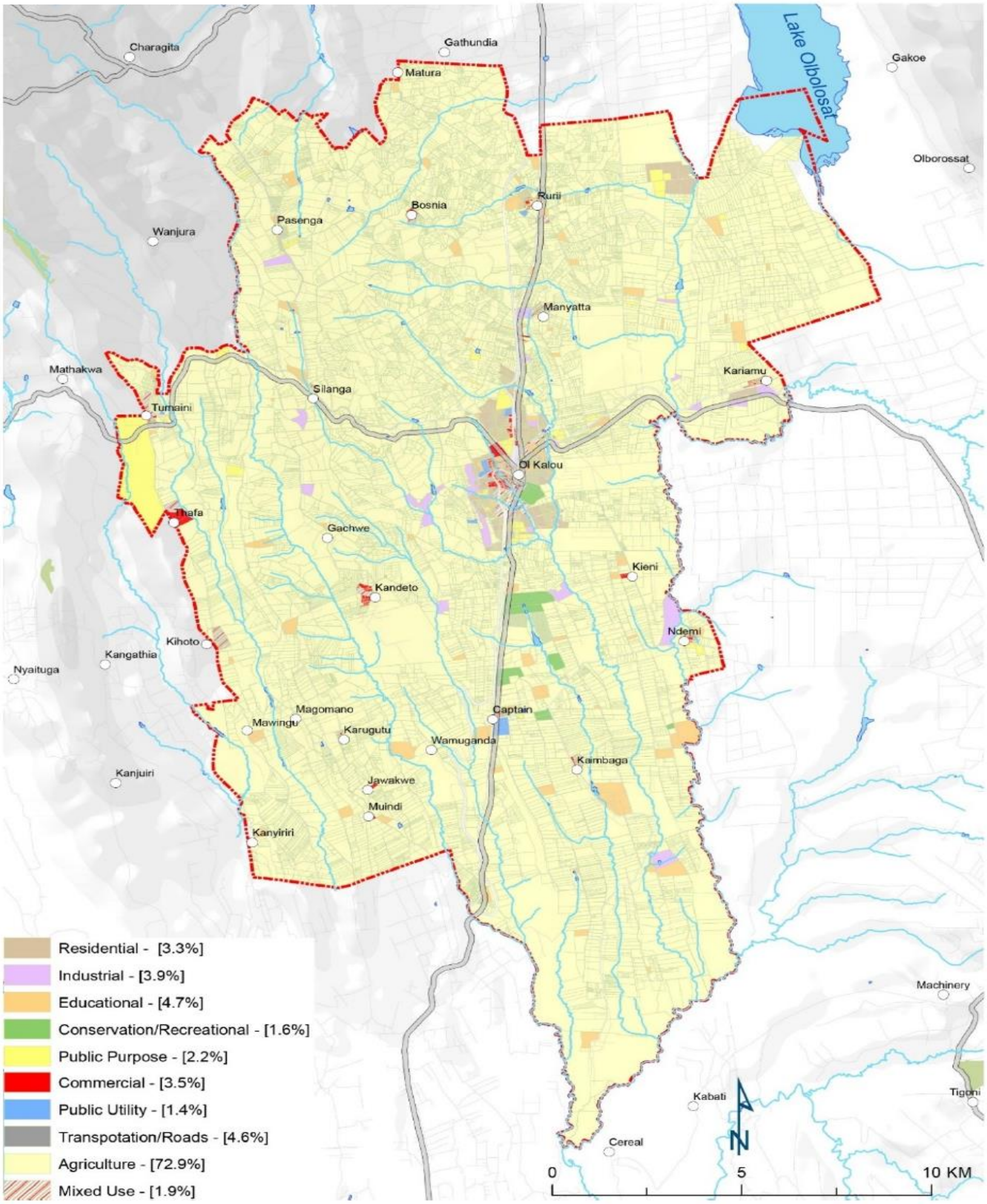
South

Engineer Municipality

- Agribusiness & Energy Potential

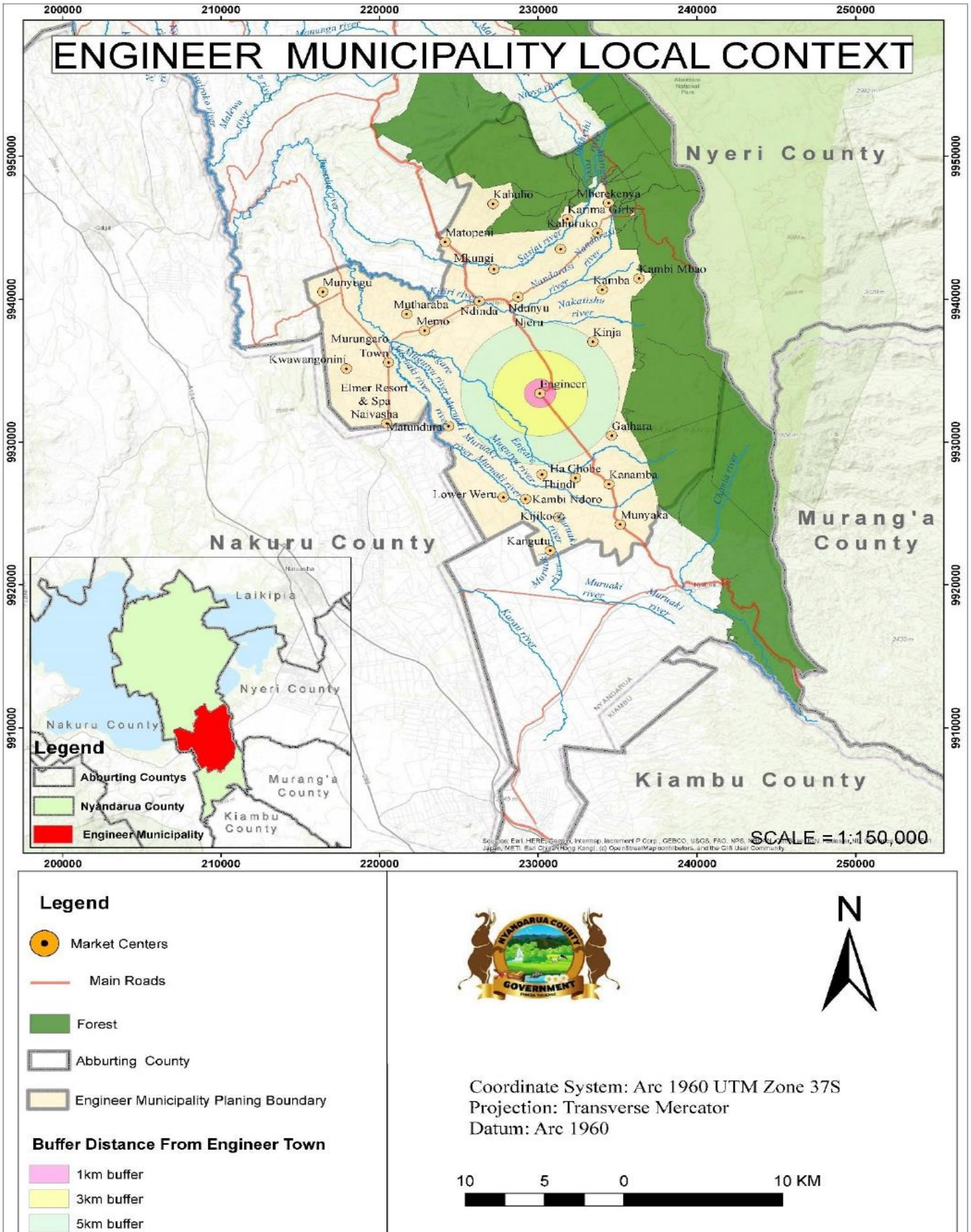
- Horticulture & Dairy Processing

OL KALOU MUNICIPALITY MAP

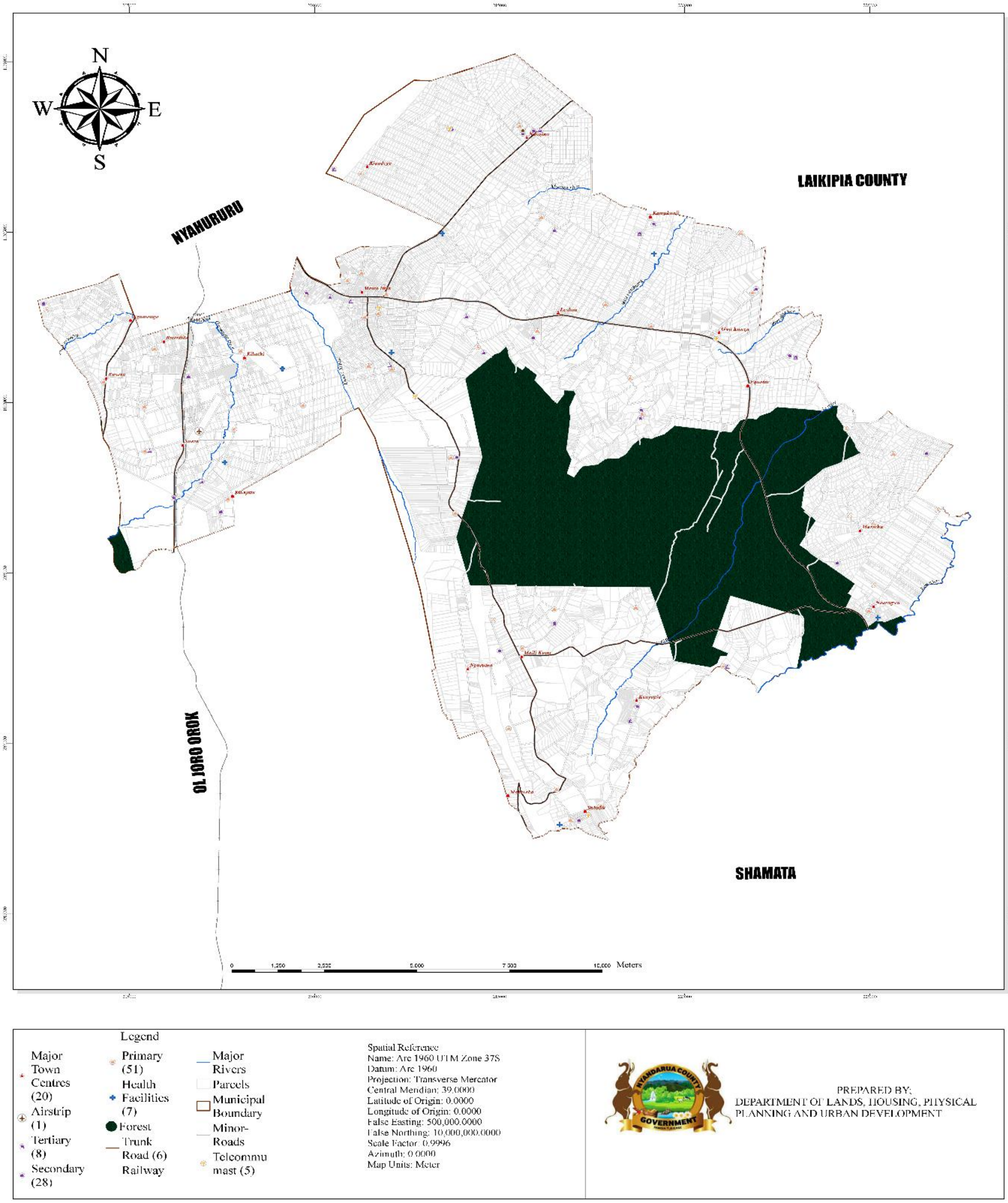


Data sources: Field Survey - 2022, Cadastral Outlay – Survey of Kenya, Lands Dep. - CGN

ENGINEER MUNICIPALITY MAP



MAIRO-INYA MUNICIPALITY BASEMAP



Chapter Four: Institutional & Governance Structures

Effective private sector engagement in Nyandarua County requires a **clear institutional framework** that defines roles, responsibilities, and channels of interaction between municipal authorities, the private sector, and other stakeholders.

4.0 Key Actors and Roles in Nyandarua's Municipalities

Nyandarua County Municipalities

Nyandarua County's economy is predominantly agricultural, with over 80% of livelihoods supported by farming, agro-processing, and trade in agricultural produce. The municipalities of **Ol Kalou**, **Engineer**, and **Mairo Inya** serve as the county's key urban and commercial hubs, linking rural producers with regional and national markets.

Sustainable economic transformation in these municipalities requires structured collaboration between the public and private sectors to enhance productivity, investment, job creation, and service delivery. This chapter identifies and defines the key actors, their mandates, and their interlinkages in implementing the Private Sector Engagement Framework (PSEF) for Nyandarua County municipalities.

Table 2: Key Actors and Their Roles

Actor	Roles and Responsibilities
National Government Institutions	**Kenya National Bureau of Statistics (KNBS):** Supports the development of harmonized municipal business databases and provides guidance on enterprise classification using the Kenya Standard Industrial Classification (KeSIC) system. **Micro and Small Enterprises Authority (MSEA):** Works with the county and municipal offices to formalize Micro and Small Enterprises (MSEs), strengthen associations, promote access to affordable credit, and establish industrial and business incubation hubs across the municipalities. **State Departments for Housing, Urban Development, and Trade:** Provide national policy direction, technical support, and resource mobilization for urban governance, investment promotion, and industrial development.
County Government of Nyandarua	**Office of the Governor and County Executive Committee (CEC):** Provides leadership in policy alignment and coordination between municipal, county, and national priorities. Ensures the PSEF aligns with the County Integrated Development Plan (CIDP), County Spatial Plan, and Bottom-Up Economic Transformation Agenda (BETA). **County Executive Committee Member (CECM) for Trade, Industrialization, and Cooperatives:** Oversees coordination of private sector engagement activities, business formalization, and industrial promotion across the municipalities. **CECM for Lands, Housing and Urban Development:** Ensures that municipal planning, zoning, and infrastructure development are responsive to private sector needs and inclusive growth. **County Treasury and County Revenue Board:** Administers the Single Business Permit (SBP) system and maintains disaggregated business data to inform municipal planning and resource allocation. **County Investment Authority / Economic Planning Department:** Promotes investment opportunities, supports feasibility studies, and links

Actor	Roles and Responsibilities
	investors with county and municipal projects in agro-processing, manufacturing, logistics, and tourism.
Municipal Boards (Ol Kalou, Engineer & Mairo Inya)	Responsible for implementing the PSEF at the municipal level through integration in the Integrated Development Plans (IDePs), Annual Investment Plans, and budgets. **Urban Managers** coordinate operationalization, stakeholder mapping, and reporting. They also ensure that structured **Public-Private Dialogue Forums (PPDFs)** are functional and inclusive. The Boards facilitate local investment promotion, urban innovation partnerships, and co-financing opportunities for market infrastructure, waste management, and ICT solutions.
Private Sector Actors	**Formal Enterprises:** Include agro-processing plants, financial institutions, hospitality establishments, construction firms, and transport operators. These provide employment and drive revenue growth. **Informal Sector and Traders:** Represent a substantial part of the municipal economy — particularly in open-air markets and service centers. The PSEF promotes their gradual formalization, capacity building, and inclusion in dialogue forums. **Business Associations and Cooperatives:** Such as the **Kenya National Chamber of Commerce and Industry (KNCCI) – Nyandarua Chapter**, Jua Kali Associations, SACCOs, and farmers' cooperatives (e.g., dairy, potato, and horticulture groups) — act as intermediaries between the business community and government. **Umbrella Organizations:** Entities like the **Kenya Private Sector Alliance (KEPSA)** and **Kenya Association of Manufacturers (KAM)** offer policy advocacy and business linkage support.
Development Partners, Academia, and Civil Society	**Development Partners:** Institutions such as **UN-Habitat**, **GIZ**, **JICA**, and **USAID** contribute technical expertise, funding, and capacity building to urban and enterprise development initiatives in Nyandarua. **Research and Academic Institutions:** Egerton University, Dedan

Actor	Roles and Responsibilities
	Kimathi University of Technology, and local TVETs support data collection, innovation, and entrepreneurship training. **Civil Society and NGOs:** Promote inclusion of women, youth, and persons with disabilities (PWDs) in business and urban development; support environmental conservation and climate resilience initiatives. **Residents' and Traders' Associations:** Enhance urban governance through advocacy, community service initiatives, and joint partnerships for town beautification, waste management, and safety.

Benefits of Adopting the PSE Framework in Nyandarua County

Implementation of the PSEF will yield tangible and long-term benefits, including:

1. **Structured Collaboration:** Strengthening trust and consistent dialogue between public and private sectors.
2. **Economic Diversification:** Facilitating partnerships that promote agro-industrialization, value addition, and investment in non-farm sectors.
3. **Inclusive Growth:** Ensuring representation of women, youth, and PWDs in business support programs and municipal decision-making processes.
4. **Improved Urban Competitiveness:** Enhancing the ease of doing business, streamlining licensing, and improving infrastructure through PPPs.
5. **Data-Driven Planning:** Enabling evidence-based municipal planning through accurate and disaggregated business databases.
6. **Innovation and Skills Development:** Leveraging partnerships with academia and development partners to nurture local entrepreneurship and green business models.

Local Implementation Pathways

Each municipality will operationalize the PSEF in ways that reflect its unique strengths and development priorities:

- **Ol Kalou Municipality:** Focus on agro-processing clusters, modern market infrastructure, and digital business registration systems.
- **Engineer Municipality:** Prioritize industrial sheds, light manufacturing, and logistics partnerships supporting the construction sector.
- **Mairo Inya Municipality:** Emphasize cross-county trade facilitation, transport-related enterprises, and roadside value-chain upgrading.

Each urban board will establish a **Public-Private Dialogue Forum (PPDF)** anchored in municipal development plans to harmonize private sector priorities with public investment programs.

Coordination Mechanism

To ensure coherence, the following coordination mechanism will be adopted:

1. **County-Level Coordination:** Led by the CECM for Land, Physical Planning and Urban Development through a **County Private Sector Engagement Steering Committee (CPSESC)** bringing together municipal managers, CECMs, KNCCI representatives, and development partners.
2. **Municipal-Level Coordination:** Managed by Urban Managers through **Municipal Private Sector Engagement Committees (MPSECs)** that integrate local associations and investors.
3. **Monitoring and Reporting:** Integrated into the municipal Annual Development Plan (ADP) and County Annual Progress Report (CAPR), supported by data from the SBP and business mapping systems.

Sustainability Measures

To maintain momentum and institutionalize engagement:

- Allocate budget lines for PSE activities within municipal plans.
- Formalize MoUs with key business associations and development partners.
- Integrate the PSEF with the **County Investment Promotion Strategy** and **Urban Economic Development Plans (UEDPs)**.

- Promote gender inclusion (men, women, youth and PLWD enterprise) participation through innovation hubs and cooperative linkages.

Conclusion

The Private Sector Engagement Framework offers Nyandarua's municipalities a roadmap to unlock inclusive, sustainable, and private sector-driven urban growth. Through coordinated action among all actors — national and county institutions, municipal boards, private enterprises, and civil society — the county can strengthen its urban economies, generate decent jobs, and enhance service delivery across Ol Kalou, Engineer, and Mairo Inya municipalities.

4.1 Governance Anchors

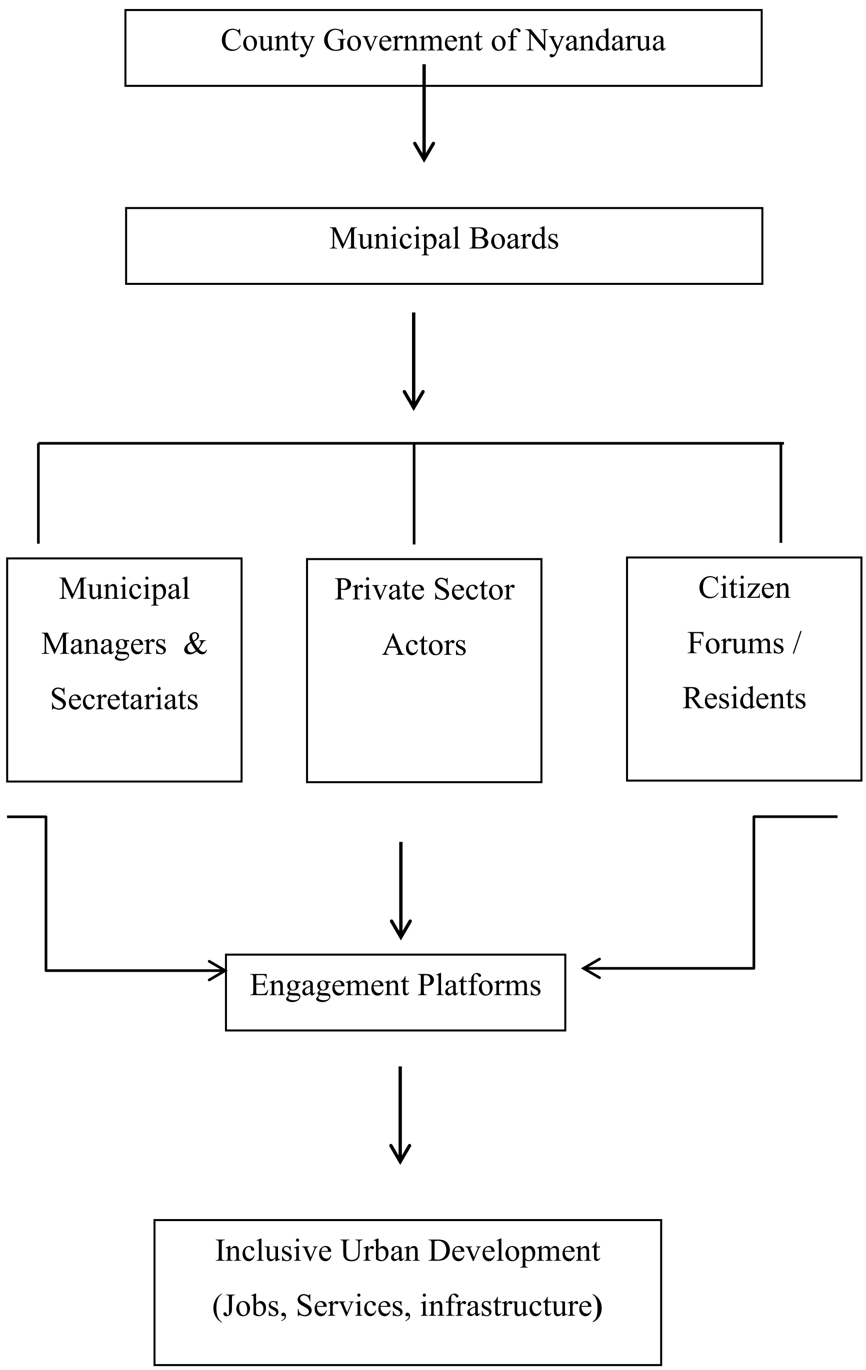
1. **County Government of Nyandarua** – provides overall policy direction, allocates resources, and monitors performance through the County Assembly.
2. **Municipal Board** – operationalizes county policies at municipal level, ensures compliance with the **Urban Areas and Cities Act, 2019**, and convenes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

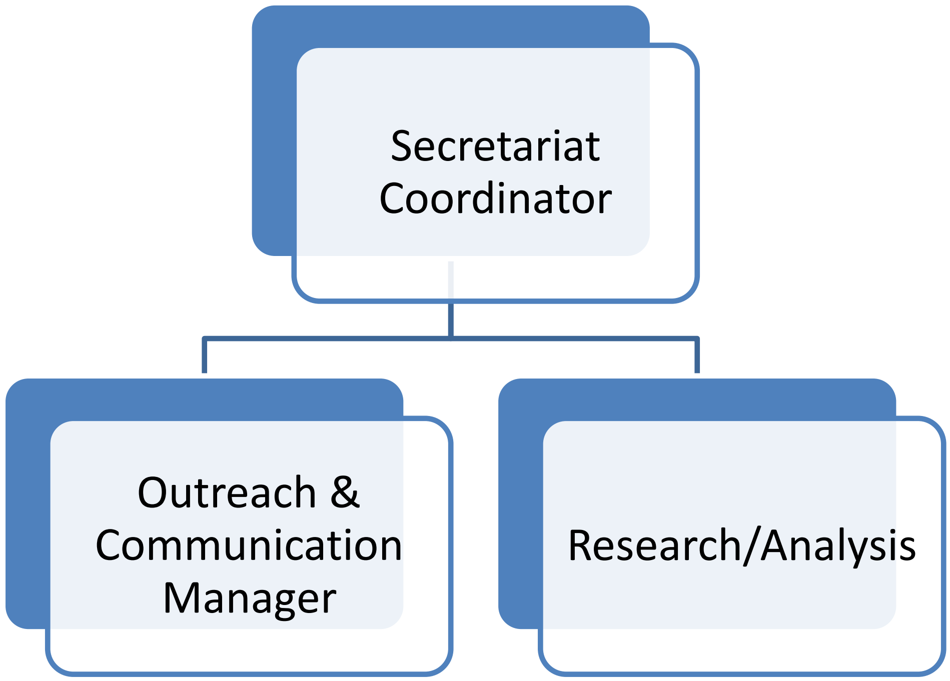
4.3.1 About the PPD secretariats

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 center 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, Nyandarua County Municipalities and Private Sector Secretariat

The National Government, Nyandarua County Municipalities 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).

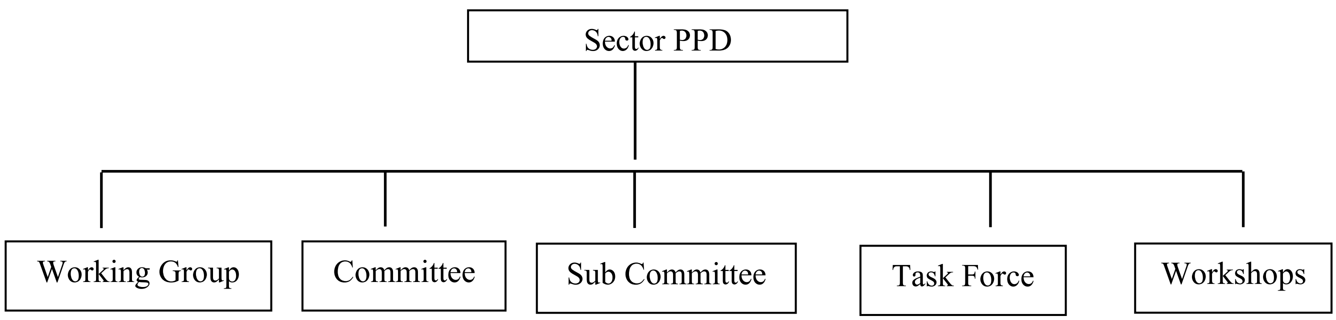
4.3.7 PPD Sector Dialogue Platforms, i.e. Working Groups, Sub Committees, Task Forces

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



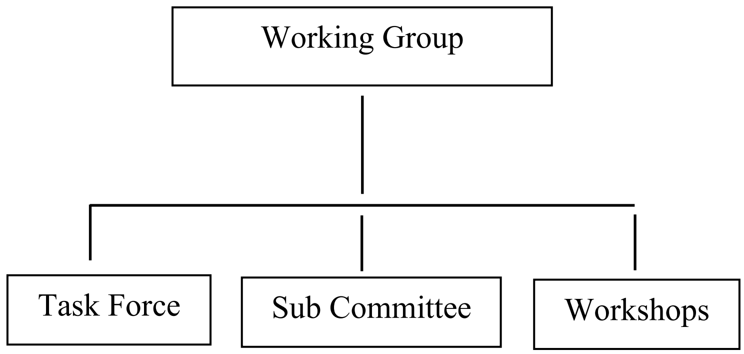
Building routines for the preparation, conduct and follow up to working groups and other platforms under the Municipal PPD structure are the subject of this section.

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 dis-cussed 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.

Chapter Five: Strategies for Engagement

Private sector engagement requires deliberate, structured, and inclusive strategies that foster collaboration, build trust, and align municipal development goals with business interests. For the three municipalities in Nyandarua County—**Ol Kalou, Engineer, and Mairo Inya**—these strategies must be responsive to their socio-economic profiles, infrastructural needs, and governance structures.

This chapter outlines the key strategies for engagement, presenting a step-by-step approach that municipal boards can adopt in building and sustaining robust partnerships with private sector actors.

5.1 Dialogue and Consultation Platforms

1. **Public–Private Dialogue (PPD) Forums**
    - Institutionalized as quarterly or bi-annual meetings.
    - Bring together municipal boards, private sector associations, SMEs, farmer cooperatives, financial institutions, and informal traders.
    - Outcomes: policy inputs, business environment improvements, joint problem-solving.
2. **Sector-Based Roundtables**
    - Target key economic areas such as agriculture, agribusiness, logistics, retail, water, sanitation, and ICT.
    - Encourage private sector-driven solutions in sectoral development.
3. **Citizen & Business Forums**
    - Mandated under the **Urban Areas and Cities (Amendment) Act, 2019**.
    - Provide an avenue for joint consultation between business actors, residents, and municipal boards.

5.2 Policy Co-Creation and Regulatory Support

- **Co-drafting municipal policies** with private sector input to improve buy-in.

- Establishing **business-friendly regulatory frameworks**, including transparent licensing, fair taxation, and streamlined land-use approvals.
- Adoption of **incentives and tax reliefs** for businesses investing in municipal infrastructure or social services.

5.3 Joint Investment Models

1. **Public-Private Partnerships (PPPs)**
   - Infrastructure projects (markets, roads, water supply, ICT hubs).
   - Shared financing and revenue models.
2. **Corporate Social Responsibility (CSR) Alignment**
   - Encourage private companies to channel CSR investments into municipal development priorities (e.g., health centers, green spaces, school infrastructure).
3. **Blended Finance Approaches**
   - Mix of public funds, donor resources, and private investment.
   - Mobilize capital for major development projects like drainage, renewable energy, and affordable housing.

5.4 Innovation and Technology Integration

- Promote **digital platforms** for licensing, tax collection, and service requests.
- Collaborate with ICT firms to develop **smart solutions** (GIS mapping, e-governance, mobile payment systems).
- Encourage **green technology adoption** in waste management, water treatment, and renewable energy.

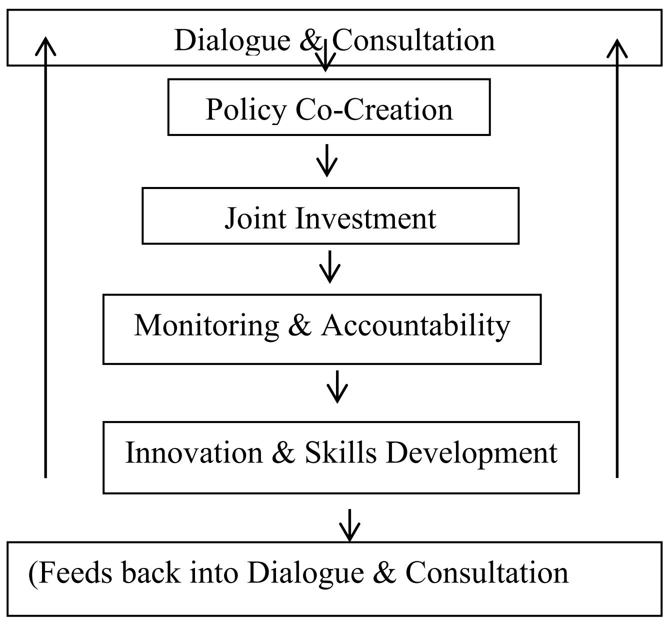
5.5 Capacity Building and Skills Development

- **Joint training programs** for municipal staff and private sector representatives on PPP management, contract compliance, and monitoring.
- Partner with **technical and vocational institutions** to strengthen skills in construction, ICT, agribusiness, and manufacturing.
- Establish **business incubators and innovation hubs** in collaboration with universities and the private sector.

5.6 Monitoring and Mutual Accountability

- Creation of **Joint Monitoring Committees** to oversee implementation of engagement initiatives.
- Establishment of **key performance indicators (KPIs)** for tracking private sector contributions to municipal development.
- Regular publication of **engagement scorecards** to enhance transparency and accountability.

Diagram: PSEF Engagement Cycle



This circular engagement cycle emphasizes that engagement is **iterative and continuous**, not a one-off process. Each step reinforces the next, creating a sustainable cycle of trust, investment, and development.

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

6.1 Introduction

For municipalities to achieve inclusive, investment-driven, and sustainable urban development, there must be a consistent and institutionalized platform for structured dialogue between the public sector and private sector stakeholders.

The **Public–Private Dialogue Forum (PPDF)** provides this platform — enabling municipal and county authorities to consult, coordinate, and co-create solutions with businesses, cooperatives, investors, and development partners.

Through the PPDF, **Ol Kalou**, **Engineer**, and **Mairo Inya** municipalities will foster mutual trust, improve transparency, and build shared accountability for economic transformation.

6.2 Objectives of the PPDF

The PPDF seeks to:

1. Facilitate regular and structured engagement between municipal authorities and the private sector.
2. Identify and address policy, regulatory, and infrastructural barriers affecting business operations.
3. Promote joint planning, investment prioritization, and monitoring of PSEF activities.
4. Encourage private sector participation in municipal projects and service delivery through PPPs and co-financing arrangements.
5. Strengthen inclusivity by ensuring representation of women, youth, and persons with disabilities in economic dialogue.

6.3 Structure of the PPDF

The PPDF will operate under a **three-tier structure**: -

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

- **Convened by:** County Executive Committee Member (CECM) for Trade, Industrialization, and Urban Development.
- **Mandate:** Coordinate countywide private sector policy dialogue, align municipal priorities with county development plans (CIDP, BETA, UEDP), and mobilize partnerships.
- **Membership:**
    - County Executive Members (Trade, Urban Development, Finance, Lands)
    - County Investment Authority

- Representatives of Municipal Boards
- KNCCI – Nyandarua Chapter
- Kenya Association of Manufacturers (KAM) regional office
- KEPSA County Focal Point
- Cooperatives and SACCO federations
- Development partners and civil society representatives

(b) Municipal-Level PPDFs (Ol Kalou, Engineer, and Mairo Inya)

- **Convened by:** The Urban Manager under the authority of the Municipal Board Chairperson.
- **Mandate:**
    - Address local-level business challenges.
    - Provide input into the Integrated Development Plan (IDeP) and Annual Investment Plan.
    - Identify opportunities for co-financing, PPPs, and innovation partnerships.
- **Membership:**
    - Municipal Board members
    - Business associations and market leaders
    - Jua Kali, Boda Boda, and traders' representatives
    - Youth and women's enterprise groups
    - Financial institutions and cooperatives
    - Local development organizations and NGOs
    - County technical officers (trade, planning, environment, public health)

(c) Sector Working Groups (SWGs)

To provide in-depth focus on thematic or sectoral issues, each municipality will establish **Sector Working Groups**, which will report to the PPDF. These may include:

1. **Agro-Processing and Value Addition SWG**
2. **Market and Informal Trade SWG**
3. **Infrastructure and Urban Services SWG**
4. **Finance and Enterprise Development SWG**

5. **Green Economy and Innovation SWG**

6.4 Operational Framework of the PPDF

(a) Convening and Frequency

- Municipal PPDFs shall meet **quarterly**, with special sessions convened as necessary.
- County-level forums will meet **bi-annually** to harmonize cross-municipal priorities.
- Sector Working Groups may meet **monthly** or as per need to prepare technical inputs.

(b) Secretariat

Each municipal PPDF will have a **Secretariat** hosted by the Urban Manager's Office, responsible for:

- Coordinating logistics and communication.
- Preparing meeting agendas and documentation.
- Tracking resolutions and progress.
- Ensuring data and evidence from the Private Sector Database inform discussions.

At the county level, the **Department of Trade and Industrialization** will serve as the coordinating secretariat, consolidating reports from municipalities.

(c) Decision-Making and Reporting

- Decisions will be made through consensus and recorded in formal minutes.
- Action points will be tracked through a **PPDF Implementation Matrix**.
- Progress reports will feed into the **Annual Municipal Economic Report** and the County's **Annual Development Plan (ADP)**.

6.5 Guiding Principles of the PPDF

1. **Inclusivity and Representation:** Ensure equitable participation of all business sizes, genders, and sectors.
2. **Transparency and Accountability:** Open communication, timely feedback, and follow-up on commitments.

3. **Evidence-Based Dialogue:** Use data from the Private Sector Database and Diagnostics Framework to guide decisions.
4. **Mutual Benefit:** Focus discussions on shared outcomes — economic growth, job creation, and service improvement.
5. **Sustainability:** Institutionalize dialogue as a permanent governance mechanism, not a one-time consultation.

6.6 Roles and Responsibilities of Key Actors in the PPDF

Actor	Key Roles
Municipal Boards	Provide leadership, convene forums, and integrate outcomes into municipal plans and budgets.
Urban Managers	Serve as secretaries to the PPDF, coordinate agenda preparation, and follow up on resolutions.
County Department of Nyandarua	Offer technical backstopping, align discussions with county policies, and mobilize resources.
KNCCI & Business Associations	Mobilize members, provide policy proposals, and facilitate sector-specific dialogue.
Development Partners and Academia	Offer research, innovation, and capacity building support. Participation in forums, co-financing development projects, innovation, job creation, CSR investment.
Civil Society and Community Organizations	Ensure inclusion, advocate for social accountability, and monitor implementation of agreed actions.

6.7 Outputs and Deliverables of the PPDF

The PPDF will produce:

- **Bi-annual Dialogue Reports** summarizing discussions, decisions, and action points.
- **Municipal Business Environment Index (BEI)** updated annually to track improvements in licensing, infrastructure, and service delivery.

- **Policy and Regulatory Recommendations** to inform county and national government reforms.
- **Partnership MoUs** for joint infrastructure development or enterprise promotion projects.

6.8 Sustainability of the PPDF

To ensure the continuity and effectiveness of the PPDF:

- Municipalities shall allocate **dedicated budget lines** for dialogue facilitation.
- The PPDF shall be anchored in the **Urban Boards' operational frameworks** and linked to the **County Economic and Planning Committee (CEPC)**.
- Establishment of a **Digital Engagement Portal** for virtual consultations, feedback, and information sharing.
- Continuous **capacity building** for municipal officers and private sector leaders on negotiation, governance, and PPP management.
- Engagement outcomes will be institutionalized through **annual review forums** held during the County Budget and Economic Forum (CBEF).

6.9 Expected Outcomes

Implementation of the PPDF across Nyandarua's municipalities will result in:

1. Institutionalized and sustained dialogue between government and business.
2. Improved investment climate and business confidence.
3. Strengthened municipal economic governance and transparency.
4. Increased participation of women, youth, and PWDs in urban economic activities.
5. Jointly designed and co-funded projects for infrastructure, skills, and enterprise development.

6.10 Conclusion

The establishment of the Public–Private Dialogue Forum represents a major milestone in advancing inclusive and participatory economic governance within Nyandarua's municipalities. Through structured engagement, data-informed decision-making, and joint accountability, **Ol Kalou**, **Engineer**, and **Mairo Inya** can transform from service towns into thriving, competitive, and investor-friendly municipalities — driving Nyandarua County's broader vision of sustainable, people-centered urban growth.

Chapter Seven: Capacity Building and Implementation Arrangements

7.1 Introduction

Successful operationalization of the Private Sector Engagement Framework (PSEF) depends on the capacity of institutions, systems, and actors at both the **municipal and county levels**. Effective implementation requires continuous skills enhancement, resource allocation, coordination mechanisms, and monitoring systems.

This chapter outlines the capacity development priorities, institutional responsibilities, financing strategies, and monitoring frameworks necessary for sustainable and inclusive private sector engagement across Nyandarua's municipalities.

7.2 Institutional Framework for Implementation

The implementation of the PSEF will be anchored in Nyandarua County's governance structure, in alignment with the **Urban Areas and Cities Act (UACA, 2019)**, the **County Governments Act (2012)**, and the **Public Finance Management Act (2012)**.

(a) County Level

The **County Department of Trade, Industrialization, and Urban Development** shall provide overall policy direction, technical backstopping, and coordination of PSEF activities across municipalities.

Key roles include:

- Integrating PSEF priorities into the County Integrated Development Plan (CIDP) and Annual Development Plan (ADP).
- Providing budgetary support and mobilizing development partners.
- Coordinating county-wide monitoring, evaluation, and reporting.
- Hosting the **County PSEF Coordination Committee (CPCC)** to harmonize municipal initiatives.

(b) Municipal Level

Each municipality—Ol Kalou, Engineer, and Mairo Inya—shall operationalize the PSEF under the oversight of its **Municipal Board** and management team.

Key responsibilities:

- Convening and facilitating the Public–Private Dialogue Forum (PPDF).
- Maintaining and updating the **Private Sector Database and Diagnostics Framework**.
- Mainstreaming PSEF outcomes in the Integrated Development Plan (IDeP) and annual work plans.
- Mobilizing and reporting on local partnerships, investments, and co-financing initiatives.

(c) Development Partners and Private Sector Associations

- Provide technical assistance, training, and catalytic funding.
- Support policy advocacy, research, and innovation pilots.
- Participate in dialogue and co-design of local economic projects.

(d) Civil Society and Academia

- Support citizen awareness, inclusion of vulnerable groups, and independent policy monitoring.
- Conduct research and knowledge-sharing on best practices in urban private sector development.

7.3 Capacity Development Strategy

Capacity development will be pursued through **four interlinked pillars**:

(i) Institutional Capacity Strengthening

- Strengthening municipal boards and management units to plan, implement, and monitor PSEF activities.
- Establishing clear Standard Operating Procedures (SOPs) for engagement, data management, and partnership coordination.
- Enhancing interdepartmental coordination between trade, planning, finance, and environment units.

(ii) Human Resource and Skills Development

- Training county and municipal officers on:
  - Public–private partnership (PPP) models and contracting.
  - Investment promotion and facilitation.
  - Dialogue facilitation, negotiation, and conflict resolution.
  - Data analytics and use of the Private Sector Database.
- Mentorship programs for youth and women entrepreneurs.
- Study tours and peer-learning exchanges with high-performing municipalities.

(iii) Systems and Tools Development

- Deployment of digital tools for stakeholder mapping, communication, and monitoring (e.g., an online PSEF Portal).
- Integration of private sector engagement indicators into municipal performance management systems.
- Development of a **Municipal Business Environment Index (BEI)** to track improvements.

(iv) Resource Mobilization and Sustainability

- Establishment of dedicated budget lines for PSEF activities in municipal and county budgets.
- Leverage of development partner and private sector co-funding for joint initiatives.

- Exploration of PPPs, Municipal Bonds, and CSR partnerships to finance infrastructure and enterprise projects.

7.4 Phased Action Plan

Phase 1: Short-Term (0–12 months)

- Establish Municipal PPD forums.
- Map and register private sector stakeholders.
- Draft and disseminate PSEF awareness materials.
- Train municipal staff on engagement practices.

Phase 2: Medium-Term (1–3 years)

- Institutionalize biannual public-private dialogues.
- Launch pilot PPP projects either in infrastructure, water, sanitation or ICT.
- Create a digital stakeholder engagement portal.
- Develop capacity-building programs for stakeholders

Phase 3: Long-Term (3–5 years) Expand the matrix

- Expand PPP models to cover housing, energy, and large-scale agribusiness.
- Integrate private sector into municipal budgeting and planning cycles.
- Establish business incubation hubs in partnership with TVETs/universities.
- Conduct annual stakeholder satisfaction surveys and publish engagement scorecards.

7.5 Implementation Matrix

Activity	Lead Actor	Supporting Actors	Timeline	Resources Needed
Establishment of PPD Forums	Municipal Board	Private Sector, Secretariat	0–6 months	Meeting facilitation

Activity	Lead Actor	Supporting Actors	Timeline	Resources Needed
Stakeholder Mapping & Registration	Municipal Secretariat	County line departments	0–12 months	Staff, Facilitation & ICT tools
Launch pilot PPP projects either in infrastructure, water, sanitation or ICT.	Municipal Board	Private Sector, Development Partners	1–3 years	Technical expertise & finances
Digital Engagement Portal	Municipal Board	County ICT Team	1–2 years	Technical expertise & finances
Capacity Building Programs for Stakeholders	Municipal Board	National & County Govt Learning institutions, NGOs, Private Sector	1–3 years	Technical expertise & finances
Annual Engagement Scorecards	Municipal Secretariat	Auditors, Private Sector	Annually	Technical expertise & finances

7.6 Risk Management and Mitigation

Risk	Mitigation Strategy
Low private sector participation	Incentives, targeted outreach, transparent communication.
Political interference	Institutionalize processes, adopt binding charters of engagement.
Inadequate resources	Leverage blended financing (public, private, donors).
Limited no. of technical staff	Training, peer learning, technical assistance.
Conflicts of interest	Transparent reporting, conflict-of-interest declarations.

Implementation Framework

Inputs (Legal frameworks, Resources, Stakeholders)

↓

Activities (Dialogue forums, PPPs, Training, Digital platforms)

↓

Outputs (Partnership agreements, Policy reforms, Capacity building, PPP projects)

↓

Outcomes (Improved services, Business growth, Infrastructure upgrades, Employment)

↓

Impact (Inclusive and sustainable urban development in Ol Kalou, Engineer, and Mairo Inya)

Chapter Eight: Monitoring, Evaluation & Learning (MEL)

Monitoring, Evaluation, and Learning (MEL) is essential for ensuring the **Private Sector Engagement Framework (PSEF)** achieves its objectives across **Ol Kalou, Engineer, and Mairo Inya Municipalities**. MEL provides the tools to measure progress, ensure accountability, capture lessons, and improve engagement processes over time.

8.1 Objectives of MEL

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.
6.

8.2 MEL Framework

Level	Key Questions	Indicators	Data Sources	Frequency
Inputs	Are resources allocated for engagement activities?	Amount of resources allocated to PPD forums; Workplans developed	Municipal budgets, Reports	Annual
Activities	Are engagement activities being implemented?	No. of activities implemented and No. of stakeholders engaged	Forum reports, Training records Participants list	Biannual
Outputs	What are the tangible products of engagement?	No. of PPP agreements signed & No. of PPP agreements being implemented	Municipal records, MoUs, policy documents	Biannual
Outcomes	What changes are resulting from engagement?	Improved service delivery;	Business registries, citizen surveys Revenue records	Annual

Level	Key Questions	Indicators	Data Sources	Frequency
Impact	What long-term benefits are achieved?	Improved living standards	Economic surveys, municipal annual reports, Census	3–5 years

8.3 Data Collection and Reporting

- **Municipal Secretariat** will serve as the **MEL Unit**, responsible for collecting, analyzing, and reporting data.
- **Citizen & Private Sector Forums** will validate findings to ensure credibility.
- **Digital platforms** (engagement portals, SMS surveys) will be used to reach wider stakeholders.
- **Annual Municipal Engagement Report** will be published for transparency.

8.4 Learning & Adaptation Mechanisms

1. **Annual Stakeholder Conferences** – Review progress, share lessons, agree on next year's priorities.
2. **Mid-Term Review (after 2 years)** – Evaluate effectiveness, adjust strategies, scale up successes.
3. **Peer Learning Exchanges** – Facilitate learning between Ol Kalou, Engineer, and Mairo Inya municipalities.
4. **Knowledge Products** – Develop policy briefs, case studies, and success stories.

8.5 Risk Management in MEL

- **Risk of biased reporting** → Use independent evaluators for periodic reviews.
- **Risk of data gaps** → Strengthen municipal capacity in ICT and data management.
- **Risk of low uptake of findings** → Ensure feedback loops into planning and budgeting.

Risk Profiling Matrix for Private Sector Engagements in Nyandarua County

Risk Category	Description of Risk	Likelihood*	Impact*	Risk Score (L × I)	Mitigation / Control Measures	Risk Owner
Strategic / Alignment Risk	Engagement with a private partner that does not align with County priorities (e.g., not aligned with the County's PPP/promotion of private sector set-up in the CIDP)	Medium	High	Medium-High	• Ensure due diligence on alignment with County investment strategy • Include alignment criteria in partner selection • Periodic review of partnership objectives	County PPP Unit
Financial Risk	Private partner fails to deliver expected financial contribution or cost-overruns; County incurs unplanned liabilities	Medium	High	Medium-High	• Financial due diligence • Clear contractual obligations • Performance bonds / guarantees • Periodic financial monitoring	County Finance Dept / PPP Unit
Operational / Implementation Risk	Project delays, scope creep, underperformance by partner	High	Medium	High	• Project management plan • Milestone tracking • Regular progress reporting and reviews	Project Implementation Team
Reputational Risk	County's reputation harmed by partner's misconduct (e.g., corruption, environmental damage)	Medium	High	Medium-High	• Partner vetting including integrity checks • Include clauses for partner misconduct • Public communication plan	County Legal & Compliance

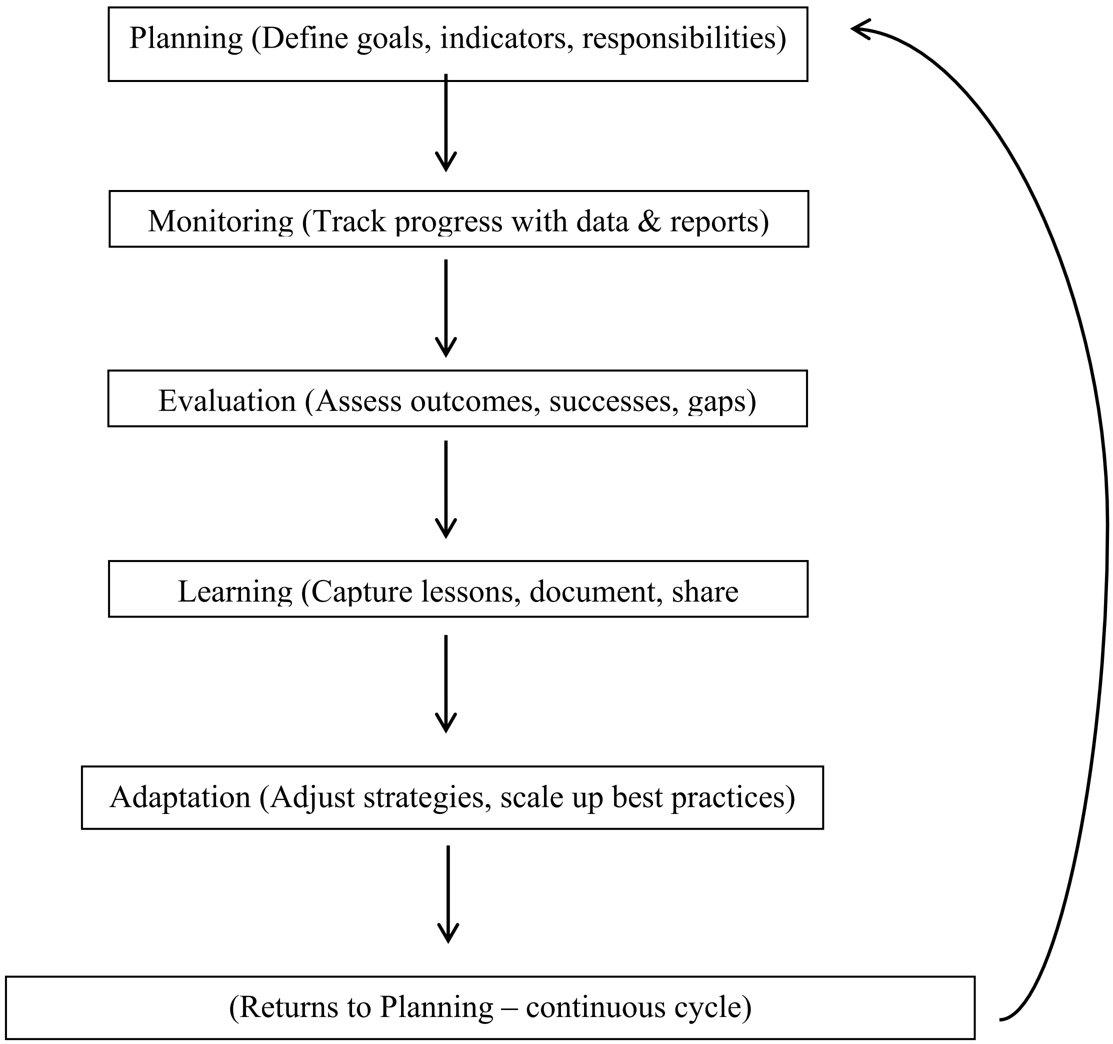
Risk Category	Description of Risk	Likelihood*	Impact*	Risk Score (L × I)	Mitigation / Control Measures	Risk Owner
Governance & Compliance Risk	Breach of procurement rules, conflict of interest, non-compliance with laws (e.g., PFM Act)	Medium	High	Medium-High	• Clear governance framework • Conflict of interest policy • Audit trail and oversight • The County has a risk management policy framework in place	County Audit & Risk
Environmental & Social Risk	Adverse environmental or social impacts of the engagement or project (e.g., in sensitive areas like the Aberdare Range)	Low-Medium	Medium	Medium	•Environmental/social impact assessment • Community engagement plan • Mitigation/compensation mechanisms • Climate risk profile for County exists	County Environment Dept
Market / Demand Risk	The business case for the private partner may fail due to market changes, low demand, economic downturn	Medium	Medium	Medium	• Feasibility study • Scenario planning • Flexibility in contract terms	County PPP Unit / Partner
Technology/Innovation Risk	Use of new or unproven technology by partner, risk of failure or high maintenance cost	Low-Medium	Medium	Medium	• Technology validation • Pilot phases • Maintenance/upgrade plan	Project Tech Lead

Risk Category	Description of Risk	Likelihood*	Impact*	Risk Score (L × I)	Mitigation / Control Measures	Risk Owner
Exit / Sustainability Risk	After the partner's contract or initial period ends, sustainability is weak and County bears residual obligations	Medium	Medium	Medium		

8.6 MEL Indicators Snapshot

Category	Indicator	Target (Year 3)
Engagement	No. of PPD forums held	12 forums across 3 municipalities
Policy	% no. of municipal policies co-created with private sector	At least 50%
PPP Projects	No. of PPP agreements implemented	6 projects
Business Environment	Average time for business licensing	Reduce from 30 days to 10 days
Jobs & Revenue	New jobs created through PPPs	5,000 jobs
	Growth in municipal own-source revenue	+25%

MEL Cycle Diagram



Annexes

Annex 01: Summary of Key Relevant Legislation

Legal Instrument	Article / Section	Provision	Details of Provision
Constitution of Kenya, 2010	Article 174	Objects of devolution	Promotes democratic and accountable exercise of power; gives communities the right to manage their own affairs; enhances service delivery; recognizes rights of minorities and marginalized groups.
	Article 185	Legislative authority of county assemblies	County assemblies make laws necessary for performance of functions and exercise of powers of county governments.
	Article 201	Principles of public finance	Public finance shall promote openness, accountability, and equitable society.
	Article 227	Procurement of public goods and services	Public procurement to be fair, equitable, transparent, competitive, and cost-effective.
County Governments Act, 2012	Sections 87–91	Citizen participation	Provides principles and modalities of citizen engagement in county planning and decision-making.
	Sections 102–115	County planning framework	Establishes county planning units, Integrated Development Plans (CIDP), and stakeholder participation.
Urban Areas and Cities Act, 2011 (Revised 2015)	Section 13	Functions of boards	Municipal boards manage and plan urban areas, including facilitating and regulating public–private participation.
	Section 22	Citizen fora	Requires establishment of fora for citizen participation in urban governance, including private sector actors.
Public Finance Management Act, 2012	Sections 125–128	County budget process	Provides for inclusive and participatory budget-making process at county and municipal levels.

Legal Instrument	Article / Section	Provision	Details of Provision
Public Procurement and Asset Disposal Act, 2015	Section 3	Guiding principles	Transparency, accountability, fairness, competition, and value for money in public procurement.
Data Protection Act, 2019	Sections 25–31	Rights of data subjects and obligations of data controllers	Provides for collection, processing, storage, and security of personal data in compliance with privacy rights.
Nyandarua County Legislation & Policies	Various	County-specific by-laws	Provide regulatory framework for licensing, revenue collection, market management, and local economic development within Ol Kalou Municipality.

Annex 02: Alignment and Linkage of the PSEF

Framework / Policy	Provision / Principle	How PSEF Aligns
Constitution of Kenya, 2010	National values and principles (Art. 10), public participation (Art. 174, 232), and fair procurement (Art. 227)	The PSEF integrates private sector actors into participatory governance, ensures inclusivity, and embeds transparency and competitiveness in service delivery.
Kenya Vision 2030	Economic, social, and political pillars promoting industrialization, infrastructure, and social transformation	PSEF provides a structured platform for private sector to contribute to infrastructure investment, innovation, and local job creation within Ol Kalou Municipality.
Medium-Term Plan (MTP IV, 2023–2027)	Emphasizes public–private partnerships (PPPs), industrial growth, and urban development	PSEF operationalizes these objectives at the municipal level, aligning local opportunities to national development priorities.
Nyandarua County Integrated Development Plan (CIDP III, 2023–2027)	Outlines county development priorities and participatory planning	PSEF serves as a mechanism to coordinate municipal private sector engagement with CIDP priorities in infrastructure, trade, and housing.

Framework / Policy	Provision / Principle	How PSEF Aligns
Nyandarua County Annual Development Plans (ADPs)	Annualized targets and resource allocations	PSEF ensures private sector input in annual municipal projects, especially revenue generation and service delivery.
Nyandarua County Spatial Plan & Urban Development Plans	Provides framework for land use, zoning, and infrastructure development	PSEF supports structured collaboration with real estate developers, traders, and service providers for sustainable urban growth.
Urban Areas and Cities Act, 2011 (Revised 2015)	Citizen fora and municipal boards to promote inclusive governance	PSEF institutionalizes private sector representation in municipal boards and public participation fora.
Public Procurement and Asset Disposal Act, 2015	Competitive, transparent, and equitable procurement processes	PSEF complements PPADA principles by fostering supplier development, fair competition, and local enterprise participation.
Public Finance Management Act, 2012	Participatory budget-making and resource allocation	PSEF provides structured channels for private sector inputs in municipal revenue generation, PPP projects, and budget consultations.
SDGs (Agenda 2030)	SDG 11 (Sustainable Cities), SDG 8 (Decent Work), SDG 17 (Partnerships)	PSEF localizes the SDGs by facilitating partnerships that enhance urban resilience, promote decent employment, and strengthen public–private collaboration.

Annex 03: List of Data/Fields for the Private Sector Database

Data Field	Already Captured in SBP Application Form	Additional Data Suggested	Purpose/Use in PSEF
Business Name and Certificate number	✓	–	Unique identification of enterprises

Data Field	Already Captured in SBP Application Form	Additional Data Suggested	Purpose/Use in PSEF
Business Registration Number	✓	–	Validation of legality and compliance
Business Location (Ward, Street, Plot number)	✓	–	Spatial mapping of private sector presence
Business Category / Sector (e.g., Retail, Manufacturing, ICT, Real Estate, Transport)	✓	–	Classification for sectoral engagement
Size of Business (Micro, Small, Medium, Large)	–	✓	Helps in policy targeting and SME support programs
Number of Employees	–	✓	Employment contribution tracking
Ownership Type (Individual, Partnership, Company, Cooperative, NGO/CBO)	✓	–	Legal and operational structure
Contact Person Name & Position	✓	–	Primary liaison for PSEF
Contact Details (Phone, Email)	✓	–	Communication and networking
Annual Turnover / Revenue Band	–	✓	Understanding economic contribution and segmentation
Years of Operation	–	✓	Stability and experience of enterprises
Key Products / Services Offered	✓	–	Sector specialization and value chain integration
Business Challenges / Needs	–	✓	Identifying opportunities for municipal-private sector collaboration
Existing Partnerships (PPP, Supplier to County, Donor Support, etc.)	–	✓	Mapping of current linkages for scaling
Interest in Forums (Policy Dialogue, Trade Fairs, PPPs)	–	✓	Tailored engagement planning

Annex 04: Suggested Calendar for Two Annual Forums-

Forum	Timing	Purpose/Linkage
Forum 1: Private Sector Diagnostic Forum	3rd and 4th Quarters (February – March)	Inform preparation of the Annual Development Plan (ADP) and Municipal Budget Estimates. Collect views on business environment challenges and priorities.
Forum 2: Feedback and Accountability Forum	1st & 2nd Quarters (August – September)	Review progress on previous commitments, share diagnostic findings, update on budget allocations, and co-create next year's priorities.

Annex 05: Results Framework

Objective	Indicator	Baseline (2025)	Target (2027)	Means of Verification
Establish a private sector database	% of registered businesses captured in municipal database	0%	80%	Database records, SBP system
Conduct diagnostics to inform planning	No. of annual diagnostic reports produced	0	2 per year	Published reports, Municipal Board records
Strengthen PPDFs	No. of structured forums held annually	0	2	Forum reports, attendance registers
Improve inclusivity	% participation by women, youth, and PWD in forums	Not tracked	≥30%	Forum registers, reports
Enhance accountability	% of PPDF resolutions integrated into annual plans	0%	≥70%	Municipal Annual Work Plans, budget documents

Objective	Indicator	Baseline (2025)	Target (2027)	Means of Verification
Build capacity	No. of municipal staff and private sector reps trained annually	0	20	Training reports, attendance lists