



**PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR URBAN BOARDS  
FOR MIGORI COUNTY**

**NOVEMBER 2025**

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By facilitating structured dialogue, data-driven policy formulation, and targeted investment promotion, the PSEF seeks to bridge the divide between public planning and private sector participation. This alignment is critical for transforming Migori’s urban growth into economically sustainable, socially inclusive, and environmentally resilient development pathways that benefit citizens, enterprises, and all stakeholders involved in the urban economy.

## **Chapter 2: Background**

Historically, private sector engagement in Migori County has been informal, fragmented, and largely episodic. While public participation forums and consultative meetings are sometimes convened during budgeting processes or specific policy discussions, these platforms have often been limited in scope, lacking systematic follow-up, continuity, or mechanisms to incorporate business feedback into formal decision-making. Consequently, the private sector—particularly organized businesses, investors, and industrial stakeholders—has had limited structured opportunities to influence urban planning, infrastructure priorities, or investment frameworks in a sustained manner.

Many enterprises operating within the county, including Micro, Small, and Medium Enterprises (MSMEs), agro-industrial firms, and trading businesses, require predictability, clarity, and technical engagement to make long-term investment decisions. However, the absence of formalized engagement channels has historically meant that private sector input into development planning has been reactive rather than proactive. This gap has constrained the ability of policymakers to draw on market insights, incorporate investment intelligence into planning, and respond effectively to private sector constraints such as access to finance, infrastructure deficits, or regulatory bottlenecks.

The implementation of the Kenya Urban Support Programme II (KUSP II) has brought renewed emphasis on good urban governance, transparency, accountability, and institutional strengthening. KUSP II’s objectives include enhancing planning systems, improving urban service delivery, and strengthening stakeholder engagement as foundations for sustainable urban growth. Within this context, the PSEF was developed as a responsive mechanism to support these governance reforms by establishing formal channels for sustained collaboration between Urban Boards and economic actors.

The framework builds on local development priorities articulated in the Migori County Integrated Development Plan (CIDP) 2023–2027 and the County Spatial Plan, both of which recognize the importance of private sector participation in driving economic growth and job creation. Institutionalizing private sector engagement aligns with these planning instruments, ensuring that policy interventions, investment strategies, and development programs are informed by the lived realities of market actors.

Moreover, the PSEF reflects lessons from global and national best practices that demonstrate the benefits of inclusive policy dialogues, structured engagement, and partnership-driven investments for urban transformation. By institutionalizing regular dialogue forums, evidence-

based diagnostics, digital business databases, and clear communication channels, the framework creates a sustainable interface for public-private interaction that supports competitive, resilient, and inclusive urban growth.

### **Chapter 3: Rationale for a Framework for Public-Private Engagement For Urban Development**

Urban development in Migori County, as in many rapidly growing urban centers, demands a coordinated approach that aligns public policy, investment planning, and stakeholder engagement. The scale and pace of urbanization—driven by demographic growth, rural-to-urban migration, and increasing commercial activity along strategic trade corridors—have created complex infrastructure and service delivery needs. Roads, housing, water and sanitation, energy, and social services are under mounting pressure, often outpacing the county's fiscal capacity. This gap highlights the critical need for structured public-private engagement, which allows private capital to complement public resources in financing, implementing, and maintaining urban infrastructure.

High levels of informality within Migori's private sector present another significant rationale for this framework. Micro, small, and informal enterprises dominate the urban economy, yet their operations often escape formal registration, regulatory compliance, and tax contribution. This limits the county's revenue mobilization potential while constraining enterprise growth. By creating an institutionalized mechanism for engagement, the framework provides pathways for formalization, regulatory guidance, and integration of informal actors into structured value chains, thereby expanding both the economic base and the fiscal space for sustainable urban development.

Investors—both local and external—require predictable regulatory and policy environments to commit resources confidently. Unstructured consultations or ad hoc meetings have historically limited investor confidence, creating uncertainties around licensing, permits, taxation, and access to land or public infrastructure. The PSEF addresses this challenge by establishing regular, transparent, and predictable dialogue platforms through which investors and private enterprises can interact directly with Urban Boards and relevant county authorities. This engagement not only improves confidence but also enhances the alignment of private investments with public development priorities.

Furthermore, urban planning decisions are strengthened when informed by market intelligence and private sector insights. Businesses possess first-hand knowledge of demand trends, supply chain dynamics, investment feasibility, and operational constraints—information that is often unavailable to planning authorities. Institutionalizing private sector engagement ensures that policy, planning, and investment decisions are evidence-based, targeted, and responsive to the realities of the urban economy. This leads to more effective allocation of resources, improved project sustainability, and higher returns on public and private investments alike.

Lastly, structured engagement contributes to conflict mitigation, trust-building, and social

cohesion. Urban development often involves competing interests—developers, businesses, residents, and public authorities—which can result in mistrust, grievances, or resistance to development initiatives. By creating formal channels for dialogue, negotiation, and feedback, the PSEF promotes transparency, accountability, and collaboration. It shifts engagement from reactive consultations to proactive partnership, fostering a cooperative environment where all stakeholders have a voice in shaping urban development outcomes.

In sum, the rationale for the PSEF rests on multiple interlinked imperatives: mobilizing private capital to supplement public resources, formalizing and strengthening the private sector, providing predictable platforms for investment, integrating market insights into urban planning, and fostering trust and partnership among stakeholders. The framework therefore represents a strategic instrument for promoting inclusive, sustainable, and investment-driven urban growth in Migori County, aligning governance reforms under KUSP II with local economic realities and development ambitions.

#### **Chapter 4: Current Practice**

In Migori County, existing mechanisms for private sector engagement are primarily transactional and episodic, rather than strategic and institutionalized. The most common engagement platforms include public participation forums during annual budgeting processes, issuance and renewal of Single Business Permits (SBPs), and occasional sector-specific or stakeholder meetings organized by Urban Boards or county departments. While these platforms provide opportunities for dialogue, they largely focus on compliance, revenue collection, and information dissemination rather than sustained collaboration or joint planning for urban development. Consequently, engagement remains reactive and limited in scope, addressing immediate regulatory or operational concerns rather than long-term strategic priorities.

Private enterprises in the county—including MSMEs, industrial actors, and cross-border trade facilitators—often operate in silos, interacting with government authorities on an ad hoc basis. This fragmented engagement means that businesses lack a consolidated, predictable channel through which they can communicate investment plans, sectoral challenges, or development priorities. Similarly, Urban Boards and county departments operate without a comprehensive repository of enterprise data, including firm size, sector classification, investment potential, compliance history, and workforce composition. The absence of this systematic information restricts the ability of boards to design targeted interventions, monitor sectoral growth, or identify priority areas for public-private collaboration.

Another critical limitation of the current practice is that sector-specific meetings and consultations are often one-off initiatives, driven by project-specific or regulatory imperatives rather than an overarching engagement strategy. For example, consultations on market infrastructure upgrades, urban planning projects, or infrastructure investments occur independently of each other, with little coordination across Urban Boards or with private sector

stakeholders. This results in duplication of efforts, inconsistent messaging, and missed opportunities to leverage synergies between different urban development initiatives.

Moreover, the existing engagement frameworks provide limited platforms for investment promotion or dialogue on policy reforms. While public participation forums fulfill constitutional requirements and support transparency, they rarely facilitate detailed discussions on private sector challenges such as access to finance, regulatory bottlenecks, or opportunities for industrial clustering. Similarly, there are minimal mechanisms for knowledge sharing, where businesses can provide insights on market trends, technological adoption, or workforce development needs, which are essential inputs for evidence-based urban planning and investment decisions.

This fragmented approach constrains the coordination of urban development initiatives, especially in rapidly urbanizing centers such as Migori Town, Awendo, and Rongo, which face growing infrastructure demands and complex land use challenges. Without structured engagement, there is limited capacity to align public investment priorities with private sector growth strategies, integrate informal and formal enterprises into planning processes, or systematically attract private capital to complement public resources.

While Migori County has made strides in engaging the private sector through budgeting consultations, SBP issuance, and sector-specific meetings, these mechanisms fall short of establishing strategic, continuous, and institutionalized collaboration. There is a clear need for a formalized framework that consolidates enterprise data, standardizes engagement channels, facilitates dialogue, and integrates private sector perspectives into urban development planning and implementation. This Private Sector Engagement Framework (PSEF) seeks to address these gaps, creating a sustainable and investment-oriented approach that aligns governance reforms under KUSP II with local economic realities and urban development priorities

## **Chapter 5: Implementation of KUSP II**

The Kenya Urban Support Programme II (KUSP II) aims to strengthen urban governance, transparency, and participatory planning across counties. In Migori, the Private Sector Engagement Framework (PSEF) provides a structured mechanism to translate these objectives into action, ensuring that Urban Boards can systematically involve private sector actors in planning, budgeting, and urban infrastructure development. By aligning engagement forums with planning cycles, the framework enables timely and evidence-based inputs from investors, MSMEs, and industrial stakeholders.

Through the PSEF, private sector participation in infrastructure planning and project implementation is institutionalized. This allows enterprises to contribute technical insights, identify investment opportunities, and participate in feasibility assessments for urban projects. The framework also strengthens compliance with KUSP II governance indicators by formalizing dialogue processes, maintaining a comprehensive enterprise database, and tracking private

sector involvement in projects, thereby enhancing accountability and performance reporting.

Additionally, the PSEF promotes Public-Private Partnership (PPP) arrangements to address financing gaps in urban development. By providing clarity on roles, responsibilities, and performance expectations, the framework reduces investment risk, accelerates project execution, and supports sustainable urban growth. Overall, it positions Migori County to leverage private investment, improve service delivery, and achieve KUSP II objectives for inclusive, resilient, and well-governed urban centers.

## **Chapter 6: Development of the Framework**

The development of the Private Sector Engagement Framework (PSEF) was a deliberate and structured process designed to ensure relevance, inclusivity, and effectiveness. It began with a comprehensive review of constitutional and statutory mandates, which provided the legal foundation for the framework. This review ensured that the framework aligns with national laws, county regulations, and governance standards, establishing a clear legal basis for engaging the private sector. By grounding the framework in law, the county guarantees that engagement processes are legitimate, enforceable, and consistent with broader policy objectives.

The next step involved a thorough assessment of private sector dynamics under the County Private Sector Development (CPSD) initiatives. This assessment analyzed existing business trends, sector performance, challenges, and opportunities within the county. By understanding the operational environment and the priorities of private enterprises, the framework could be tailored to address real-world needs, facilitate investment, and promote sustainable economic growth. This step was critical to ensure that the framework does not operate in isolation but reflects the actual conditions and potential of the private sector.

Stakeholder validation meetings were held to gather input from a wide range of participants, including government officials, private sector representatives, civil society organizations, financial institutions, and development partners. These consultations ensured that diverse perspectives were incorporated, fostering ownership and commitment from all relevant actors. Through these interactive sessions, the framework was refined to address practical challenges, enhance clarity of roles, and strengthen mechanisms for collaboration and accountability.

To ensure that the framework meets high standards and incorporates proven approaches, the team conducted benchmarking against national and international best practices. This process involved comparing similar frameworks in other counties, countries, and international organizations, identifying lessons, and adapting successful strategies to the local context. Benchmarking helped to introduce innovative solutions, modern engagement mechanisms, and effective collaboration models, ensuring that the PSEF is both forward-looking and contextually appropriate.

A key outcome of this process is that the framework balances regulatory authority with

collaborative engagement. While it clearly defines the county's legal and oversight responsibilities, it also creates structured platforms for dialogue, feedback, and partnership between government and private sector actors. This balance ensures that policies are implemented effectively while promoting mutual trust, inclusivity, and active participation from all stakeholders.

## **Chapter 7: Legal Basis and Alignment to Existing County Frameworks and Processes**

The Private Sector Engagement Framework (PSEF) is anchored in a robust legal and regulatory foundation, ensuring that its implementation is consistent with national and county governance structures. At the national level, the Constitution of Kenya 2010 provides the overarching framework for public participation, economic governance, and devolved service delivery. Key provisions, including Articles 10 (national values and principles), 201 (principles of public finance management), and 209 (urban areas and cities), emphasize inclusivity, accountability, and citizen involvement in development planning. These constitutional directives underpin the PSEF's commitment to participatory urban governance and ensure that the framework operates within the law while promoting private sector contributions to economic development.

In addition, the Urban Areas and Cities Act 2011 grants Urban Boards statutory authority to regulate, plan, and oversee municipal development while actively engaging stakeholders in decision-making processes. The PSEF leverages this legal mandate by providing structured engagement channels for private enterprises, investors, and civil society actors, allowing them to contribute insights that shape urban infrastructure, industrial development, and service delivery priorities. Complementarily, the County Governments Act 2012 reinforces the integration of the framework into county-level planning, budgeting, and coordination processes. This ensures that all engagements with the private sector are aligned with county development objectives and adhere to devolved governance structures.

From a policy alignment perspective, the PSEF directly integrates with Migori County's Integrated Development Plan (CIDP 2023–2027) and the County Spatial Plan (CSP). By linking private sector engagement to these planning instruments, the framework ensures that private investments, partnership projects, and technical inputs are consistent with the county's strategic vision, spatial development priorities, and sectoral plans. This integration enables Urban Boards to use evidence-based data from the private sector to inform budgeting, resource allocation, and project selection, ensuring that engagement contributes meaningfully to sustainable urban growth, economic diversification, and job creation.

Furthermore, the PSEF is aligned with national programmes and sectoral reforms, particularly the Kenya Urban Support Programme II (KUSP II). KUSP II emphasizes transparency, improved governance, participatory planning, and PPP-based infrastructure delivery. By adhering to KUSP II principles, the PSEF standardizes engagement mechanisms, aligns them with governance performance indicators, and strengthens compliance reporting for Urban Boards.

This alignment facilitates access to national technical support and funding, while ensuring that private sector participation is not ad hoc but structured, predictable, and outcome-oriented.

Institutionally, the PSEF embeds accountability and sustainability through formal structures within Urban Boards, sectoral committees, and municipal administration units. Dedicated PSE focal points maintain comprehensive enterprise databases, coordinate dialogue forums, and monitor engagement outcomes, while legal and regulatory requirements—such as licensing, environmental approvals, land-use planning, and procurement compliance—are integrated into all engagement processes. This harmonization of statutory obligations with operational procedures ensures that private sector participation is legally compliant, transparent, and strategically directed, thereby creating a sustainable, professional, and credible framework for urban development in Migori County.

## **Chapter 8: Objective of the Framework**

This Private Sector Engagement Framework (PSEF) is designed to institutionalize structured, predictable, and sustainable collaboration between Migori County Urban Boards and the private sector. Its objectives focus on enhancing participation, improving investment outcomes, and promoting inclusive urban development. Specifically, the framework aims to:

- **Institutionalize Private Sector Participation**
  - Provide structured dialogue mechanisms such as biannual forums and sector-specific consultations.
  - Ensure businesses, MSMEs, and investors have predictable opportunities to input into urban planning and policy decisions.
- **Integrate Market Insights into Urban Planning**
  - Leverage enterprise databases and sectoral diagnostics for evidence-based decision-making.
  - Align policy and resource allocation with market realities, investment potential, and sectoral growth priorities.
- **Promote Public-Private Partnerships (PPPs)**
  - Facilitate private sector investment in infrastructure and service delivery.
  - Mobilize complementary capital, technical expertise, and project management capacity while safeguarding public interest.
- **Strengthen Institutional Capacity**
  - Build skills for Urban Boards and private sector actors on regulatory compliance, PPP management, and stakeholder coordination.

- Enhance investment facilitation, project implementation, and collaborative problem-solving capabilities.
- **Ensure Accountability and Sustainability**
  - Establish clear roles, reporting lines, and feedback mechanisms.
  - Monitor private sector participation, investment outcomes, and the impact of engagement initiatives.
  - Support adaptive and continuous improvement of private sector collaboration.
- **Support Inclusive and Investment-Driven Urban Development**
  - Promote participation that reflects Migori County’s socio-economic priorities.
  - Encourage private sector-led growth, job creation, and value addition in alignment with CIDP 2023–2027 and national frameworks.

## **Chapter 9: Approach to the PSE Framework**

The Migori County Private Sector Engagement Framework (PSEF) adopts a holistic and multi-dimensional approach that prioritizes structured, evidence-based, and sustainable engagement between Urban Boards and the private sector. The framework recognizes that the private sector is a key driver of economic growth, job creation, and urban development. By centering the approach on market dynamics, the PSEF ensures that policy interventions, infrastructure investments, and regulatory reforms are informed by the real needs, capacities, and potential of local enterprises. This market systems perspective enables the County to harness the private sector as a partner rather than merely a beneficiary of development initiatives.

A central element of the PSEF approach is **institutional strengthening**. By building the capacity of Urban Boards and associated county institutions, the framework ensures that engagement mechanisms are sustainable, standardized, and integrated into ongoing governance processes. This involves training staff on public-private dialogue management, regulatory compliance, investment facilitation, and project monitoring, thereby embedding private sector collaboration into the core functions of municipal governance. Institutionalization safeguards continuity, mitigates dependency on ad hoc efforts, and promotes transparent and accountable decision-making.

**Data-driven planning and analysis** form another cornerstone of the PSEF approach. Through the establishment of a comprehensive enterprise database and periodic private sector diagnostics, the County captures detailed information on firm size, sector, employment, compliance, and investment potential. This evidence-based foundation allows Urban Boards to design targeted policies, prioritize high-impact projects, and track sectoral performance over time. The approach ensures that engagement is not merely consultative but informed by actionable intelligence that aligns with economic priorities and growth opportunities.

**Promotion of Public-Private Partnerships (PPPs)** is also a key pillar of the PSEF. Recognizing the limitations of public financing, the framework leverages private capital, technical expertise, and operational efficiency to complement County-led initiatives. PPPs under the framework target critical infrastructure, urban services, and industrial development, enabling resource mobilization for projects such as industrial parks, market upgrades, and logistics hubs. Structured engagement ensures that PPPs are transparent, mutually beneficial, and aligned with strategic development objectives, while reducing investment risks and fostering investor confidence.

Finally, the PSEF emphasizes **continuous feedback and adaptive governance**. The framework incorporates structured mechanisms, including digital portals, SMS-based reporting, stakeholder forums, and annual performance reviews, to capture private sector perspectives and emerging market trends. These feedback loops enable Urban Boards to respond promptly to challenges, refine policies, and adapt engagement strategies to evolving economic and social contexts. By combining data, dialogue, and institutional capacity, the PSEF establishes a resilient and dynamic model for private sector collaboration that strengthens governance, promotes investment, and drives inclusive urban development across Migori County.

## **Principles of the PSEF**

The Private Sector Engagement Framework (PSEF) is guided by a set of principles designed to ensure that engagement between Urban Boards and the private sector is structured, inclusive, and sustainable. These principles reflect both best practices in urban governance and the specific socio-economic context of Migori County, ensuring that policy, planning, and investment decisions are evidence-based, participatory, and aligned with long-term development objectives.

### **1. Inclusivity and Broad Participation**

Engagement under the PSEF prioritizes the inclusion of a diverse range of stakeholders, including micro, small, and medium enterprises (MSMEs), large investors, sector associations, and marginalized groups such as women and youth. By ensuring that all voices are represented, the framework fosters equitable decision-making, strengthens social cohesion, and reduces the risk of elite capture or policy bias. Structured dialogue mechanisms, such as Public-Private Dialogue Forums (PPDFs) and targeted sectoral consultations, provide platforms for meaningful participation.

### **2. Evidence-Based Decision Making**

The framework emphasizes the use of robust data and analytics to inform policy and investment choices. Enterprise mapping, sectoral diagnostics, and market intelligence are integral to identifying growth opportunities, addressing binding constraints, and prioritizing interventions. Decisions guided by evidence enhance policy predictability, reduce investment risk, and improve the efficiency of resource allocation across urban development projects.

### **3. Transparency and Accountability**

All interactions between Urban Boards and private sector actors are conducted with transparency, including clear criteria for participation, open reporting of investment opportunities, and public disclosure of engagement outcomes. The framework incorporates feedback mechanisms, monitoring tools, and annual reporting to ensure accountability, reinforce trust, and strengthen the credibility of governance processes.

#### **4. Sustainability and Institutionalization**

Sustained impact is a core principle of the PSEF. Engagement processes are institutionalized within Urban Boards and integrated into the County Integrated Development Plan (CIDP), budgeting, and planning cycles. Continuous capacity building, dedicated funding, and embedded reporting systems ensure that private sector engagement is maintained beyond individual projects or leadership tenures, creating enduring partnerships that support long-term urban growth.

#### **5. Partnership and Mutual Benefit**

The framework is predicated on the idea that public and private actors have complementary roles and shared responsibilities in urban development. By promoting Public-Private Partnerships (PPPs) and collaborative problem-solving, the PSEF enables risk-sharing, leverages private sector investment, and ensures that interventions generate mutual economic, social, and environmental benefits. Partnerships are designed to be equitable, transparent, and aligned with strategic county priorities.

#### **6. Adaptability and Continuous Learning**

Recognizing the dynamic nature of urban growth and market conditions, the PSEF embeds mechanisms for feedback, evaluation, and adaptation. Lessons from previous engagements inform policy refinements, infrastructure planning, and capacity-building initiatives. This principle ensures that the framework remains responsive to emerging challenges, technological innovations, and evolving private sector needs, maintaining its relevance and effectiveness over time.

By grounding all activities in these principles, the PSEF establishes a robust foundation for structured, predictable, and sustainable engagement that enhances private sector participation, mobilizes investment, and accelerates inclusive urban development across Migori County.

### **Chapter 10: Key Actors and Roles**

In county development, multiple actors work together, each with specific responsibilities to ensure efficiency, coordination, and inclusivity. Clearly defining the roles of the County Executive, Urban Boards, Private Sector Associations, Financial Institutions, Development Partners, and Civil Society helps avoid duplication of efforts and ensures that initiatives are

implemented seamlessly. The table below summarizes the key actors, their core responsibilities, and how they interact to support effective governance and development.

<b>Key Actor</b>	<b>Primary Roles / Responsibilities</b>	<b>Interactions / Contributions</b>
<b>County Executive</b>	Provides policy leadership, strategic guidance, and oversight	Directs Urban Boards, coordinates with Private Sector Associations, Financial Institutions, Development Partners, and integrates Civil Society input
<b>Urban Boards</b>	Implement policies, coordinate programs, and monitor projects	Execute County Executive directives, work with Private Sector Associations and Development Partners, report outcomes
<b>Private Sector Associations</b>	Represent business interests, provide feedback, advocate for public-private partnerships	Advise County Executive and Urban Boards, facilitate investment and innovation, align policies with business needs
<b>Financial Institutions</b>	Provide project financing, assess financial viability, support sustainable funding	Fund initiatives from Urban Boards or private actors, advise on risk management, collaborate with Development Partners for co-financing
<b>Development Partners</b>	Offer technical and financial support, capacity building, and best practice guidance	Assist County Executive, Urban Boards, and Financial Institutions to ensure effective project execution
<b>Civil Society</b>	Promote oversight, inclusivity, and accountability	Monitor projects, engage communities, provide feedback to all actors, ensure transparency and equitable development

### **Chapter 11: Benefits of Adopting the Private Sector Engagement Framework (PSEF)**

Adopting the Private Sector Engagement Framework (PSEF) offers a wide range of benefits that collectively strengthen Migori County's economic, institutional, and governance landscape. One of the most immediate advantages is the improvement of investor confidence. By establishing structured engagement platforms, transparent processes, and reliable communication channels, private sector actors gain assurance that the County is committed to predictable, fair, and responsive governance. This confidence encourages local and foreign investors to commit resources, explore opportunities, and participate actively in public-private

initiatives.

Closely linked to investor confidence is the enhancement of policy predictability. The PSEF ensures that regulatory, planning, and investment policies are informed by evidence, inclusive consultations, and periodic diagnostics. Clear policy signals reduce uncertainty, enable long-term investment planning, and facilitate a stable business environment, which is essential for enterprise growth, capital inflows, and strategic partnerships.

The framework also promotes the increase of public-private partnership (PPP) projects. Through structured dialogue forums, sector-specific diagnostics, and capacity-building programs, the County can identify viable investment opportunities, align them with private sector capabilities, and mobilize partnerships that leverage both public and private resources. This approach not only accelerates infrastructure development and service delivery but also fosters innovative financing mechanisms that reduce the fiscal burden on the County.

Furthermore, the adoption of the PSEF contributes to higher revenue mobilization. By formalizing businesses, improving regulatory compliance, and strengthening market linkages, the County can broaden its tax base and enhance own-source revenue collection. Transparent and structured engagement ensures that enterprises are better informed about tax obligations while benefiting from support programs, which in turn encourages voluntary compliance.

Institutionally, the PSEF strengthens urban governance compliance by providing clear roles, responsibilities, and accountability mechanisms for both public officials and private actors. By integrating engagement activities into annual work plans, budgeting processes, and performance monitoring systems, the County reinforces good governance practices, ensures adherence to legal frameworks, and enhances transparency across municipal operations.

Finally, the framework has significant economic implications, particularly in accelerating industrialization and MSME growth. By addressing structural constraints, facilitating access to finance, enhancing skills, and promoting market linkages, the PSEF supports enterprise expansion, value addition, and employment creation. This stimulates inclusive economic growth, fosters competitiveness, and positions Migori County as an attractive hub for investment and innovation.

In summary, the adoption of the PSEF establishes a professional, predictable, and enabling environment that benefits investors, businesses, the County government, and the broader community. It not only enhances governance and policy implementation but also drives sustainable economic transformation by linking private sector growth with public development priorities.

### **Scope and Core Data Elements**

The database captures enterprise information under seven core categories:

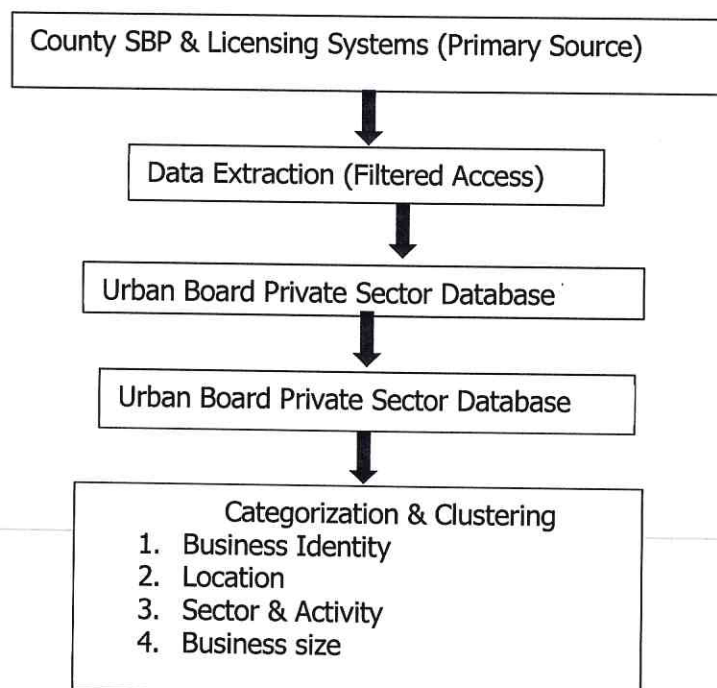
Table 1: Core Fields of the Private Sector Database

Category	Key Data Fields	Purpose
Business Identity	Name, Registration Number, Business Code	Unique enterprise identification and sector classification
Contact Information	Telephone, Email, Postal Address	Structured communication
Physical Location	Address, Geo-coordinates, Municipality, Sub-county, Ward	Spatial planning and monitoring
Sector & Activity	Industry Classification, Activity Description	Sector analysis and investment prioritization
Ownership & Registration	Ownership Type, Owners, Registration Status	Compliance and governance profiling
Enterprise Size	Employees, Turnover, Asset Range	MSME segmentation and planning decisions
Associations & Affiliations	Membership in Associations	Structured dialogue and partnership inclusion

### 1.3 Database Structure and Workflow

The database supports systematic data collection, validation, analysis, and reporting. It integrates County Single Business Permit (SBP) data with locally verified enterprise information and may incorporate GIS tools for spatial analysis.

Workflow Summary:





### **Roles and Responsibilities**

The database functions as a governance tool with clearly assigned accountability.

Table 2: Roles

<b>Actor</b>	<b>Role</b>
County Departments	Data sharing, SBP access, ICT support
CPCT	Technical coordination and compliance oversight
Urban Board	Policy oversight, resource allocation, integration into plans
Urban Manager	Operational management, reporting, and analytical use

### **Implementation Steps**

The establishment of the Private Sector Database shall follow a structured and controlled process to ensure accuracy, security, and operational usefulness. The steps below outline the sequential and institutional actions required for effective implementation.

1. Define required database fields.
2. Establish secure data-sharing protocols.
3. Create and populate the database with verified data.
4. Maintain association and dialogue partner registers.
5. Train staff and implement quality assurance.
6. Provide controlled public access in line with legislation.
7. Conduct annual verification and updates.

### **Compliance and Performance Monitoring**

For effective monitoring, the following shall be conducted periodically:

- Verification of enterprise data

- Organization of information by sector and geography
- Registration of business associations and dialogue partners
- Annual verifications and updates
- Demonstrated use in planning, engagement and investment decisions.

The database underpins the Private Sector Diagnostic process.

### **Private Sector Diagnostic (PSD)**

The PSD is a Board-approved, structured assessment conducted under the Urban Manager's supervision.

Key Steps:

1. Board approval of scope and objectives
2. Preparation of Terms of Reference
3. Stakeholder identification and notification
4. Desk research and baseline review
5. Tool development (4 policy levers)
6. Enterprise and institutional consultations
7. Urban institutional capacity assessment
8. Lever-based data analysis
9. Draft findings and interventions
10. PPDF validation and prioritization
11. Board adoption
12. Public disclosure and IDEP integration
13. Interventions are prioritized based on mandate alignment, impact, resources, partnership feasibility, and readiness.

#### **Desk Research and Stakeholder Mapping Requirements**

The diagnostic shall include a structured desk review of all relevant planning, policy, budgetary, regulatory, and assessment documents affecting the urban economy and business environment. This review shall include urban plans, IDEPs, sector strategies, regulatory frameworks, licensing procedures, infrastructure investment plans, and prior business environment studies. Existing datasets from the private sector database and county information systems shall be incorporated into the baseline assessment.

Stakeholder mapping shall be undertaken as a formal analytical exercise and not treated as an

informal listing. The mapping shall classify actors by institutional role, sector relevance, influence, and engagement value, covering public institutions, private enterprises, associations, intermediaries, and knowledge partners.

**Table 3: Stakeholder Mapping Classification Framework**

<b>Stakeholder Category</b>	<b>Mapping Dimension</b>	<b>Diagnostic Use</b>
County & Urban Institutions	Mandate and regulatory role	Institutional constraint analysis
Enterprise Actors	Sector and size category	Business condition assessment
Business Associations	Representation coverage	Dialogue and validation
Support Institutions	Training, finance, BDS	Ecosystem mapping
Infrastructure Agencies	Service delivery role	Constraint and investment mapping

**Diagnostic Tool Preparation Requirements**

Diagnostic tools shall be prepared using the four-policy lever analytical structure. Interview guides, enterprise survey instruments, and consultation templates shall be standardized and aligned with the toolkit analytical framework. Tool preparation shall ensure comparability of findings across regulatory, infrastructure, skills, and enterprise support dimensions.

**Table 5: Diagnostic Tool Structure by Policy Lever**

<b>Policy Lever</b>	<b>Tool Focus</b>
Institutions & Regulations	Licensing timelines, compliance burden, dispute resolution
Infrastructure & Land	Service reliability, access gaps, zoning suitability
Skills & Innovation	Workforce adequacy, training alignment, innovation support
Enterprise Support & Finance	Access to finance, BDS availability, support program reach

**Public–Private Dialogue Forum (PPDF)**

Urban Boards shall establish PPDFs as formal governance platforms for structured engagement

between the public and private sectors. The purpose of the forum will be:

- Inform planning and regulatory reform
- Identify constraints and investment priorities
- Institutionalize structured consultation

The following are the salient features of the PPDF

- Accredited business association participation
- Board oversight with private sector co-chair
- Biannual meetings aligned to planning cycles
- Documented resolutions and action tracking
- Compliance with KUSP II performance standards

### **Scope and Function of Dialogue Forums – Summary**

The Public–Private Dialogue Forum (PPDF) operates as a continuous institutional platform for feedback, coordination, and joint problem-solving between the Urban Board and private sector actors. It supports regulatory and policy review, investment prioritization, business environment diagnostics, reform monitoring, and consensus-building around competitiveness goals.

Through structured engagement, the PPDF creates an ongoing feedback loop between enterprise experiences and public sector action, improving policy quality, implementation effectiveness, and accountability. All forum resolutions and recommendations are formally documented and integrated into Urban Board planning, budgeting, and regulatory processes.

### **Dialogue Partners**

Participation in the PPDF includes key stakeholders relevant to the urban business environment, such as:

- **County Departments and MDAs** – Provide regulatory, infrastructure, and service delivery perspectives.
- **Professional and Research Institutions** – Offer diagnostics, surveys, and technical analysis.
- **Development Partners and NGOs** – Contribute programmatic and financing insights.
- **Civil Society and Resident Associations** – Represent social, environmental, and inclusion concerns.
- **Business Associations and Enterprise Clusters** – Present sector priorities, constraints, and investment needs.

## Public – Private Dialogue Forum Alignment with KUSP II

Under the KUSP II Urban Development Grant performance framework, Urban Boards are required to establish and operationalize a Public–Private Dialogue Forum as a performance standard. Compliance is assessed during performance appraisal cycles.

Urban Boards shall therefore formally constitute, resource, convene, and document PPDF operations, including meeting records, participant registers, resolutions, and follow-up reports.

### Institutional Roles and Responsibilities

Institution	Assigned Responsibilities
Urban Board	Establishes and authorizes the PPDF; approves governance structure; integrates outputs into IDEP and annual plans; allocates budget resources
Urban Manager	Operationalizes the PPDF; convenes meetings; manages secretariat; maintains records; coordinates follow-up actions; publishes outputs
County Departments (Planning, M&E, ICT)	Provide technical support, data systems support, survey tools, and analytical assistance
CPCT	Provides interdepartmental coordination and technical capacity support
Private Sector Associations	Provide structured submissions and sector priorities
Dialogue Partners	Provide technical and stakeholder perspectives

### Capacity Building and Outreach

The Capacity Building and Outreach component of the Private Sector Engagement Framework (PSEF) aims to strengthen both urban board staff and private sector actors to enable meaningful, structured, and effective participation in urban governance and development processes. It focuses on building technical skills, institutional capacity, inclusivity, and sustained learning mechanisms.

For urban board staff, capacity building includes training in private sector diagnostics, data analysis, public-private dialogue forum (PPDF) facilitation, monitoring and evaluation (M&E), and policy and regulatory compliance. This equips urban boards to analyze economic

conditions, convene structured dialogue platforms, implement private sector–focused interventions, and ensure governance compliance.

For the private sector, the framework supports strengthening business associations and clusters, improving business management and innovation skills, enhancing participation in urban planning and policy processes, and promoting inclusivity for informal sector actors, women, youth, and persons with disabilities. The goal is to ensure enterprises are organized, competitive, and capable of engaging effectively in decision-making.

An integrated urban board–private sector capacity framework ensures coordination between both sides, aligning diagnostics, dialogue, policy compliance, innovation, and monitoring systems to achieve shared development outcomes. The overall result is institutionalized, inclusive, and evidence-based public-private dialogue supported by continuous learning.

The Communication and Feedback Channels component ensures structured, transparent, and timely information exchange between urban boards and private sector actors. It promotes accountability, responsiveness, and adaptive management in urban governance.

Key communication channels include PPDF reports and minutes, websites and digital portals, email and SMS alerts, workshops and sector forums, social media platforms, and suggestion or feedback mechanisms. These tools ensure transparency, broad outreach, and inclusive participation.

A structured **feedback loop** guarantees that stakeholder inputs are collected, documented, analyzed, assigned for action, implemented, and reported back. This process supports continuous improvement and accountability.

Communication and feedback mechanisms are aligned with four competitiveness policy levers:

1. Institutions & Regulations
2. Infrastructure & Land
3. Skills & Innovation
4. Enterprise Support & Finance

Monitoring and accountability measures include maintaining communication logs, publishing quarterly updates, tracking participation rates, auditing inclusivity, and using dashboards to measure performance indicators such as participation rates, feedback response time, and stakeholder satisfaction.

### **Overall Expected Outcomes**

- Urban boards are technically equipped and capable of managing private sector

engagement processes.

- Private sector actors are organized, informed, and actively involved in planning, investment, and policy dialogue.
- Inclusive and evidence-based engagement becomes institutionalized.
- Transparent communication, accountability, and continuous learning strengthen urban governance and private sector development.

### **Monitoring, Evaluation, and Learning Framework (MELF)**

The MELF ensures systematic tracking of PSEF implementation, assessment of outcomes, and continuous improvement through structured learning. It provides urban boards, private sector actors, and other stakeholders with evidence-based insights to guide decision-making, adaptive management, and accountability.

### **MELF Components**

The MELF is structured around four key components:

Performance Monitoring – Tracking implementation of planned activities, PPDF meetings, diagnostics, and capacity building initiatives.

Outcome Evaluation – Measuring results of interventions, such as improved business environment, access to finance, infrastructure improvements, and workforce skills alignment.

Learning and Adaptation – Capturing lessons learned, identifying emerging issues, and adjusting processes, resource allocation, or priorities.

Reporting and Accountability – Disseminating results and feedback to boards, stakeholders, and the public to ensure transparency and inclusivity.

Reports include:

- Quarterly implementation updates
- Annual performance report
- Public disclosure

A dashboard tracks trends and adoption rates.

Communication, Outreach, and Feedback Integration

The Urban Board shall operate structured outreach and documented feedback systems to ensure traceable, transparent, and responsive engagement.

Key requirements:

- Multi-channel outreach
- Formal feedback logging and classification
- Response and closure protocols
- Public disclosure (subject to data protection laws)
- Continuous improvement reviews

## **Governance Structure**

The governance framework provides strategic leadership, accountability, and oversight to ensure effective implementation and sustainability of the programme.

### **Urban Board**

The Urban Board provides overall policy direction and strategic oversight. It approves key policies, annual work plans, budgets, and performance reports. The Board ensures that programme objectives align with municipal mandates, statutory requirements, and broader county and national development frameworks. It also safeguards transparency, accountability, and stakeholder inclusivity in decision-making.

### **Board Committee**

A designated Board Committee (such as a Planning, Infrastructure, or Governance Committee) is responsible for closer supervision of implementation. The Committee reviews progress reports, monitors milestones, ensures compliance with approved plans, and provides technical guidance to the Secretariat and Urban Manager. It acts as a bridge between the operational team and the full Board.

### **Urban Manager**

The Urban Manager serves as the operational head and accounting officer for programme implementation. The Manager coordinates departments, authorizes expenditures in line with approved budgets, oversees staff performance, and ensures timely delivery of outputs. The Urban Manager also reports regularly to the Board on progress, risks, and emerging opportunities.

- Monitoring, evaluation, and reporting
- Administrative and logistical support

Funding may be sourced from municipal allocations, county government transfers, conditional grants, and development partner support where applicable.

### **Human Resources**

The Municipality shall designate a Public Service Excellence (PSE) Focal Officer or Programme Focal Person to coordinate day-to-day activities. This officer will be supported by technical staff drawn from relevant departments, ensuring multidisciplinary expertise.

Where necessary, short-term consultants or subject-matter experts may be engaged to provide specialized support in diagnostics, facilitation, data analysis, or evaluation.

Capacity strengthening initiatives will be undertaken periodically to enhance staff competencies in governance, stakeholder engagement, monitoring and evaluation, and data management.

### **Partnerships and Collaboration**

To enhance technical depth and sustainability, the Municipality may establish formal partnerships through Memoranda of Understanding (MoUs) with:

- Research and academic institutions
- Professional associations
- Civil society organizations
- Private sector actors
- Development partners and donor agencies

These partnerships may support research, innovation, resource mobilization, peer learning, and technical assistance.

### **Sustainability Measures**

To ensure long-term continuity and impact, the programme will be institutionalized through the following measures:

- **Integration into Annual Plans and Governance Instruments:** Activities embedded in approved annual budgets and policy frameworks.
- **Calendar-Based Engagement:** Scheduled stakeholder engagements and review meetings to ensure predictability and consistency.
- **Institutional Memory and Documentation:** Systematic archiving of reports, decisions, lessons learned, and performance data.
- **Continuous Capacity Reinforcement:** Regular training, peer learning, and



## **Secretariat**

The Secretariat functions as the technical and administrative engine of the programme. It is responsible for:

- Maintaining and updating databases and knowledge repositories.
- Conducting diagnostics, assessments, and baseline studies.
- Organizing stakeholder outreach, consultations, and dialogue forums.
- Preparing technical and financial reports.
- Tracking implementation progress against agreed action plans and indicators.
- Ensuring proper documentation and record-keeping to strengthen institutional memory.

The Secretariat ensures that decisions made at the governance level are translated into coordinated and measurable actions.

## **Coordination Mechanism**

Effective implementation requires structured interdepartmental collaboration. A formal coordination mechanism shall be established involving key departments such as:

- Physical Planning
- Finance and Revenue
- Engineering and Public Works
- Trade and Enterprise Development
- Environment
- ICT and Data Management
- Social Services (where applicable)

Regular technical coordination meetings will be convened to review progress, harmonize work plans, resolve bottlenecks, and ensure cross-sector alignment. This integrated approach prevents duplication, promotes efficiency, and ensures holistic urban development outcomes.

## **Resource Framework**

### **Financial Resources**

Adequate financial resources shall be allocated and integrated into the Municipality's Annual Work Plans and Budgets. Budget provisions will cover:

- Diagnostic studies and data collection
- Stakeholder engagement and dialogue forums
- Capacity building and training programmes
- Communication and public awareness initiatives

- Monitoring, evaluation, and reporting
- Administrative and logistical support

Funding may be sourced from municipal allocations, county government transfers, conditional grants, and development partner support where applicable.

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- **Institutional Memory and Documentation:** Systematic archiving of reports, decisions, lessons learned, and performance data.
- **Continuous Capacity Reinforcement:** Regular training, peer learning, and

performance reviews to strengthen institutional competence over time.

Through these structured institutional arrangements and a clearly defined resource framework, the Municipality will ensure effective governance, coordinated implementation, and sustainable impact of the programme.

### Expected Overall Outcome

- Operational private sector database
- Institutionalized public–private dialogue
- Evidence-based planning and reform
- Inclusive participation
- Measurable competitiveness improvements
- Sustained and accountable urban governance

### Components of the PSEF

The Private Sector Engagement Framework (PSEF) relies on a set of interlinked components that collectively ensure structured, transparent, and sustainable engagement between Migori County Urban Boards and the private sector. Each component plays a specific role in promoting evidence-based decision-making, facilitating investment, strengthening governance, and supporting inclusive growth. The table below summarizes the key components, their objectives, expected outputs, and primary actors responsible for implementation. This structured overview provides clarity for operational planning and accountability.

Component	Objective	Expected Outputs	Responsible Actors
Private Sector Database	To systematically capture and maintain data on businesses, sectors, and investment potential.	Comprehensive digital database including enterprise profiles, sector classification, employment levels, compliance status, and investment capacity; updated regularly.	Urban Board PSEF Focal Person, IT & Planning Departments
Private Sector Diagnostic	To provide evidence-based insights on sector performance, constraints, and growth	Periodic analytical reports identifying binding constraints, high-potential sectors, reform priorities, and policy recommendations.	Urban Board Research & Planning Unit, County Economic Planning, Development Partners

	opportunities.		
Public-Private Dialogue Forums (PPDF)	To create structured platforms for consultation, policy review, and investment promotion.	Biannual forums aligned with budget and planning cycles; minutes and resolutions guiding policy and project decisions.	Urban Board Chairperson, PSEF Secretariat, Business Associations, Development Partners
Capacity Building and Outreach	To enhance the skills and knowledge of both private sector actors and Urban Board staff.	Training workshops, seminars, enterprise advisory services, and outreach programs improving regulatory compliance, PPP management, and competitiveness.	Urban Board Training Unit, County Enterprise Development Unit, MSME Associations
Communication and Feedback Channels	To ensure transparency, timely information sharing, and responsive engagement with private sector actors.	Digital portals, SMS alerts, annual engagement reports, grievance redress mechanisms, and structured feedback loops.	Urban Board Communications Unit, PSEF Secretariat, ICT Department
Institutional Arrangements and Resource Framework	To ensure the sustainability, accountability, and coordination of private sector engagement initiatives.	Dedicated PSEF focal persons, integrated budget allocation, inclusion in work plans, performance monitoring, and reporting mechanisms.	Urban Board Administration, Finance Department, County Executive Committee, PSEF Focal Person

The six components of the PSEF provide a comprehensive and mutually reinforcing framework for private sector engagement in Migori County. When implemented effectively, these components will enhance transparency, support evidence-based policy-making, promote investment, strengthen the competitiveness of MSMEs, and foster inclusive economic growth. By clearly defining objectives, outputs, and responsibilities, the framework establishes accountability while creating the conditions for sustainable and meaningful public-private collaboration.

## **Chapter 11: Enablers for Effective and Sustained Private Sector Engagement**

Effective implementation of the Private Sector Engagement Framework (PSEF) is dependent on several foundational enablers that create a conducive environment for structured, inclusive, and results-oriented collaboration. Foremost among these is political will. Strong and consistent commitment from the County Executive Committee, the Governor's Office, and Urban Boards signals the seriousness of the County in promoting transparent and investor-friendly governance. Political leadership plays a crucial role in setting policy direction, resolving bottlenecks, endorsing dialogue outcomes, and ensuring that private sector recommendations are meaningfully incorporated into planning and budgeting decisions. Without visible high-level support, engagement platforms risk becoming ceremonial rather than transformative. Sustained political goodwill also reassures investors of policy stability and continuity, thereby strengthening confidence in the County's economic governance framework.

Adequate budgetary allocation is another critical enabler. Institutionalized engagement cannot function effectively without predictable financial resources to support dialogue forums, sector diagnostics, capacity-building initiatives, communication platforms, and data management systems. Embedding PSEF activities within the County's annual budgeting and Medium-Term Expenditure Framework ensures that engagement processes are not treated as optional or donor-dependent activities. Dedicated funding enhances continuity, enables quality stakeholder participation, and supports follow-up on agreed action points. Moreover, financial commitment reflects institutional seriousness and strengthens accountability mechanisms tied to performance indicators.

The availability of reliable and secure digital infrastructure significantly enhances the efficiency and inclusivity of private sector engagement. Digital platforms facilitate business registration databases, online feedback systems, virtual dialogue forums, investor portals, and real-time information dissemination. In a rapidly evolving economic environment, technology enables broader participation, particularly from enterprises that may face geographic or logistical barriers to attending physical meetings. Secure digital systems also support data integrity, performance monitoring, and transparency in regulatory processes. Investment in ICT systems and digital literacy among staff and stakeholders therefore becomes central to modern, responsive urban governance.

Strong and organized private sector associations provide structured representation and aggregation of business interests, which enhances the quality of dialogue. Associations serve as intermediaries between government and enterprises by consolidating sector-specific concerns, disseminating information, and mobilizing participation. Their presence reduces fragmentation and ensures that engagement processes are not dominated by isolated actors. In addition, associations can support compliance initiatives, promote self-regulation, and contribute technical expertise during policy formulation. A vibrant private sector ecosystem, characterized by functional chambers of commerce, MSME networks, and sector-based organizations, strengthens the institutional legitimacy and sustainability of the PSEF.

Finally, robust institutional capacity within County Departments and Urban Boards underpins the overall success of the framework. This includes skilled personnel capable of managing dialogue processes, analyzing economic data, designing PPP arrangements, and monitoring performance outcomes. Clear organizational structures, defined roles and responsibilities, and continuous professional development are essential for maintaining institutional memory and operational efficiency. Capacity building should extend to both public officials and private sector representatives to ensure mutual understanding of regulatory frameworks, fiscal planning processes, and partnership models. When institutional capacity is strong, engagement becomes structured, evidence-based, and capable of delivering measurable development results for Migori County.

## Chapter 12: Challenges, Risks and Mitigation Strategies

The implementation of the Private Sector Engagement Framework (PSEF) may encounter institutional, financial, and operational risks that could affect its effectiveness and sustainability if not properly managed. Recognizing potential challenges in advance enables the County Government and Urban Boards to adopt preventive and corrective measures that safeguard inclusivity, transparency, and long-term impact. The table below outlines key risks, their implications, and corresponding mitigation strategies to ensure the framework remains functional, credible, and results-oriented.

Risk / Challenge	Potential Implications	Mitigation Measures
Low Participation by Private Sector Actors	Limited diversity of views; weak policy feedback; reduced legitimacy of dialogue forums; low ownership of development initiatives.	<ul style="list-style-type: none"> <li>• Conduct proactive stakeholder mapping and targeted invitations.</li> <li>• Collaborate with business associations and sector leaders.</li> <li>• Use digital platforms, SMS alerts, and ward-level outreach.</li> <li>• Clearly communicate the benefits of participation.</li> <li>• Align forums with business calendars to improve attendance.</li> </ul>
Elite Capture of Engagement Platforms	Dominance by a few large enterprises; exclusion of MSMEs, women, youth, and marginalized groups; distorted policy priorities.	<ul style="list-style-type: none"> <li>• Establish transparent representation and nomination criteria.</li> <li>• Ensure sectoral, geographic, and</li> </ul>

		<p>demographic balance.</p> <ul style="list-style-type: none"> <li>• Introduce term limits for representatives.</li> <li>• Require disclosure of interests where necessary.</li> <li>• Monitor participation diversity indicators.</li> </ul>
Resource Gaps and Funding Constraints	Irregular dialogue forums; inability to conduct diagnostics or capacity building; weak implementation of engagement activities.	<ul style="list-style-type: none"> <li>• Integrate PSEF activities into annual budgeting processes.</li> <li>• Allocate dedicated funds within Urban Board budgets.</li> <li>• Leverage PPP models for co-financing activities.</li> <li>• Seek development partner and donor support.</li> <li>• Promote cost-sharing arrangements for selected events.</li> </ul>
Data Management and Digital Security Risks	Inaccurate enterprise data; planning inefficiencies; breach of sensitive business information; reduced investor confidence.	<ul style="list-style-type: none"> <li>• Develop secure digital enterprise databases.</li> <li>• Implement access controls and data backup systems.</li> <li>• Ensure compliance with national data protection regulations.</li> <li>• Provide staff training on data management and cybersecurity.</li> <li>• Conduct periodic system audits.</li> </ul>

By systematically identifying these risks and instituting structured mitigation measures, Migori County can enhance the resilience and credibility of the PSEF. Continuous review of emerging risks, combined with adaptive management approaches, will further ensure that private sector engagement remains inclusive, transparent, and sustainable over the long term.

### **Chapter 13: Performance and Accountability Framework**

The Performance and Accountability Framework provides a structured mechanism for tracking the effectiveness, efficiency, and impact of the Private Sector Engagement Framework (PSEF). It establishes measurable indicators that allow the County Government and Urban Boards to assess whether engagement activities are translating into tangible economic and governance outcomes. Key performance indicators include the number of Public-Private Dialogue Forums held annually, which reflects the consistency and institutionalization of structured engagement; private sector participation rates, which measure inclusivity and stakeholder confidence; and the volume of investment commitments mobilized, which demonstrates the framework's contribution to economic growth and infrastructure development. Additional indicators such as the number of MSMEs formalized capture progress toward expanding the formal economy and broadening the County's revenue base, while the number of PPP projects initiated provides insight into the effectiveness of leveraging private capital and expertise for public infrastructure and service delivery.

To ensure credibility and transparency, performance tracking shall be integrated into Urban Boards' annual work plans and reporting systems. Each indicator will have defined baselines, annual targets, responsible officers, and data collection methods to enhance accuracy and accountability. Regular monitoring—through quarterly reviews and annual performance reports—will enable timely identification of implementation gaps and corrective actions. The findings shall be presented to the County Executive Committee and, where applicable, the County Assembly to strengthen oversight and policy responsiveness. Public dissemination of summarized performance reports will further enhance transparency, build investor confidence, and reinforce trust between the County Government and private sector stakeholders. Through systematic monitoring, evaluation, and reporting, the PSEF will remain results-oriented and continuously aligned with Migori County's broader economic transformation objectives.

### **Chapter 14: PSEF Considerations for Sustainability**

The long-term sustainability of the Private Sector Engagement Framework (PSEF) depends on its full integration into the County's mainstream planning, budgeting, and governance systems rather than operating as a stand-alone initiative. Embedding the PSEF within the County Integrated Development Plan (CIDP), Annual Development Plans (ADPs), and Medium-Term Expenditure Framework (MTEF) processes ensures that private sector engagement priorities are linked to resource allocation and measurable development outcomes. By aligning PSEF activities with the County budgeting cycle, Urban Boards can systematically incorporate dialogue forums, diagnostics, investment promotion activities, and capacity-building programs into their annual work plans. This integration enhances policy coherence, strengthens accountability, and ensures that engagement outcomes influence infrastructure planning, revenue strategies, and service delivery improvements.

Institutionalization within Urban Boards is equally critical. The PSEF must be anchored through formal resolutions, designation of focal persons, and clear reporting lines to avoid dependency on individual office holders. Establishing structured committees or technical working groups responsible for private sector coordination ensures continuity despite administrative transitions. Continuous capacity development for Board members, technical staff, and private sector representatives is necessary to strengthen understanding of PPP frameworks, investment analysis, regulatory compliance, and performance monitoring. In addition, dedicated budgetary allocations must be provided to support dialogue forums, data management systems, outreach initiatives, and monitoring functions. Regular monitoring and evaluation mechanisms—supported by clear performance indicators and annual reporting—will ensure that the framework remains responsive, results-oriented, and adaptive to emerging economic and urban development challenges. Together, these measures secure the institutional, financial, and operational durability of the PSEF over the long term.

### Annex 01: KUSP II UIG MCs and the indicators

Minimum Condition (MC)	Start date	Indicator
<b>MC1:</b> County government has committed itself to participate in KUSP2	APA 1 (FY23/24)	The County Governor has signed an Intergovernmental Agreement stating that the county will participate in KUSP2 and adhere to its POM.
<b>MC2:</b> County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS) <sup>6</sup> that integrates aspects of climate resilience and disaster risk management	APA 1	County government has prepared a CUIDS approved by the county executive. County government has included the proposed UIG activities in the County Annual Development Plan and Budget.
<b>MC3:</b> Use of previous year’s UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM	APA 2 (FY24/25)	Annual county expenditure statement shows that the county has followed approved annual County Annual Development Plan and UIG expenditure guidelines and POM.
<b>MC4:</b> County government has utilized at least 50 percent of the UIG towards activities benefiting eligible urban boards participating in KUSP2	APA 2	Annual County Development Plan shows at least 50 percent of funds is allocated towards activities benefiting eligible urban boards participating in

		KUSP2. Expenditure statement validates the actual use of the funds accordingly.
<b>MC5:</b> County government has utilized at least 30 percent of funds for climate change related activities within the eligible expenditure menu in categories (1) Policy/regulatory, (2) Urban Planning, (4) Urban Resilience, (5) Asset Management, (8) Capacity Building	APA 2	Annual County Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validates the actual use of the funds accordingly.

## UDG Performance Standards

Results Area	Performance Standard	Indicator(s) and Scoring	Assessment Procedure	Means of Verification	
RA4	PS11: Implementation of the county government's private sector or engagement framework	APA 2 - AUGUST 25	<ul style="list-style-type: none"> <li>The participating urban board has:               <ol style="list-style-type: none"> <li>developed a database of local businesses.</li> <li>updated the database on an annual basis.</li> </ol> </li> </ul> <p>[SCORE = 6]</p>	<b>Up-to-date business enterprise database.</b> Obtain a database of businesses for each participating board and review whether the database is clustered by economic activity, contains basic business information (name of the business, business code per sector/industry, time in operation, nature of business, contact address including geo with Data Protection Act of 2019) and has been updated (annual verification). This includes adding or removing businesses and updating their information (change in activity, etc.)-location), is publicly available (in accordance	<b>Up-to-date business enterprise database. Online database</b> of businesses for each participating board (updated annually)
		APA 3 - AUGUST 26	<ul style="list-style-type: none"> <li>The participating urban board has held at least two public-private dialogue (PPD) meetings during the past 12 months.</li> </ul> <p>[SCORE = 4]</p>	<b>PPD meetings/consultations.</b> Records and minutes of the meetings that include a list of participants, a summary of deliberations, including private sector input to urban development plans. Minimum of two meetings per year (annual verification).	<b>PPD meetings, consultations. Reports on meeting's deliberations and private sector input to inform urban development plans (minimum 2 engagements per year)</b>
RA4	PS11: Implementation of the county government's private sector or engagement framework	APA 3 - AUGUST 26	<ol style="list-style-type: none"> <li>Private sector needs diagnostic: the participating urban board has:           <ol style="list-style-type: none"> <li>completed a comprehensive private sector needs diagnostic.</li> <li>publicly disclosed the private sector needs diagnostic.</li> </ol> </li> </ol> <p>[SCORE = 5] TOTAL SCORE = 15</p>		

## Tools and Templates

### Annex 02: Private Sector Database

#### Data fields for the private sector database

The table below indicates data fields that could be used for a simple excel database. It indicates the data captured in the SBP application form.

Field name	SBP	Data types
Name of business	Yes	
Business no (issued during licensing)	Yes	
Certificate of registration no	Yes	
Business ownership structure: sole proprietor, partnership, limited liability, other legal entity	No	Select from drop down list of different entity types: business name; private limited company; limited; company limited by guarantee; limited partnership; foreign company; trust; other legal entity
Gender of proprietor/majority shareholder		
Certificate of registration no	Yes	
Year of registration/incorporation	No	
Years in operation	No	Range of year: < 1 yr; 2 – 3 yrs; 4 - 5 yrs; 6 – 10 yrs; over 10 yrs
Business Permit no	No	
Date of permit issue	No	



		Large: over 250
<b>Total size of premises (m<sup>2</sup>)</b>	No	
Property/land use data (ownership)	No	
*Financial data (gross annual turnover for last year) - KES range	No	Drop down categories: Micro: <500,000 Small: 500,001 – 5 million Medium: 5,000,001 – 100,000,000
Business affiliation i.e., membership in trade/business/professional associations or Cooperative	No	
Other licenses and permits for specific business activities	No	

**\*MSME Categories as defined Micro and Small Enterprises Act (2012)**

## Annex 3: Private Sector Database Fields Template

## Annex 4: Private Sector Diagnostic

### Sample Diagnostic Report Template

---

[Logo]

[Name] City/Municipality Private Sector Diagnostic Report Contact Information

City/Municipal Contact

**Name:** [Enter name] **Department:** [Enter department] **Position:** [Enter position]

**Contact Details:** [Enter contact details] Report Prepared By

**Name:** [Enter name]

**Position:** [Enter position]

**Contact Details:** [Enter contact details]

**Date:**

Executive Summary Summarized

background

[Provide a brief overview of the diagnostic purpose and scope]

Key Findings

[Summarize the key findings of the diagnostic]

Conclusions

Recommendations

[Highlight the main recommendations based on the findings]

#### 1. Introduction

##### 1.1 Background

[Provide background information on the private sector, business environment in the city/municipality, including economic context and relevance of the diagnostic]

##### 1.2 Objectives of the Diagnostic Analysis

[Outline the objectives of the diagnostic]

#### 2. Situational Analysis

##### 2.1 Overview of the Local Business Environment and Private Sector Competitiveness

##### 2.2 Economic Context

[Provide an overview of the local economic context, including key industries, economic indicators, and demographic information]

##### 2.3 Key Sectors

[Identify and describe the key sectors within the private sector]

##### 2.4 Stakeholder Map

[List major private sector stakeholders and their roles]

### **3. Approach and Methodology**

3.1 [Describe the approach used to conduct the diagnostic, including data collection and analysis methods]

3.2 [Describe methodology used to conduct the diagnostic, including data collection and analysis methods]

#### **1. SWOT Analysis**

##### 1.1 SWOT Analysis

[Present a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) of the private sector based on the four policy levers]

##### 1.2 Summary of Key Challenges

[Identify and describe the main challenges faced by the private sector]

##### 1.3 Institutional analysis

[Illustration of potential roles across the different levels of government and other stakeholders. Use the Illustrative output provided in TCC Step 3]

#### **2. Findings of the Analysis**

##### 5.1 Policy Levers for Competitive Cities/Municipalities

###### 5.1.1 Lever 1: Institutions and Regulations

[Assess the local institutions and regulatory framework impacting the private sector]

###### 5.1.1.1 Business Regulations

[Evaluate business registration processes, licensing, and compliance requirements]

###### 5.1.1.2 Governance and Corruption

[Examine the impact of governance and corruption on private sector growth]

###### 5.1.2 Lever 2: Infrastructure and Land

[Evaluate the availability and quality of infrastructure and land resources]

###### 5.1.2.1 Transport Infrastructure

[Assess the quality of roads, ports, airports, and public transportation]

###### 5.1.2.2 Utilities

[Examine the availability and reliability of utilities such as electricity, water, and internet]

###### 5.2.2.3 Land Availability and Use

[Evaluate land use policies, availability of commercial land, and property rights]

###### 5.1.3 Lever 3: Skills and Innovation

[Analyze the availability of skilled labor and the level of innovation in the private sector]

###### 5.1.3.1 Education and Training

[Assess the education system and vocational training programs]

###### 5.1.3.2 Labor Market Dynamics

[Examine labor market conditions, employment rates, and skills gaps]

###### 5.1.3.3 Research and Development

[Evaluate the level of investment in research and development and the support for innovation]

#### 5.1.4 Lever 4: Enterprise Support and Finance

[Assess the availability of support and finance for enterprises]

##### 5.1.4.1 Access to Finance

[Examine the availability and accessibility of financial services for businesses]

##### 5.1.4.2 Business Support Services

[Evaluate the availability and effectiveness of business development services and support programs]

### **6. Monitoring, Evaluation, Learning and Reporting**

[Describe how the implementation of the PSEF will be monitored, Evaluated, Lessons learnt documented and shared and how reporting will be done. Include an M&E framework with indicators]

#### 6.1 Monitoring

#### 6.2 Evaluation

#### 6.3 Learning

#### 6.4 Reporting

### **7. Capacity Building and training**

#### 7.1 Strategic Initiatives

[Outline strategic initiatives for addressing key challenges and leveraging opportunities]

#### 7.2 Partnership Opportunities

[Identify opportunities for public-private partnerships and collaborations]

### **8. Conclusion**

#### 8.1 Summary

[Provide a concise summary of the report's main points and findings]

##### 8.1.1 Lever-Specific conclusions

###### 8.1.1 Policy, institutional legal and regulations

[List specific Policy, institutional legal and regulations for improving institutions and regulations]

###### 8.1.2 Infrastructure and Land

[List specific recommendations for enhancing infrastructure and land use]

###### 8.1.3 Skills and Innovation

[List specific recommendations for improving skills and fostering innovation]

###### 8.1.4 Enterprise Support and Finance

[List specific conclusions for increasing enterprise support and access to finance]

#### 8.2 Next Steps

[Outline the next steps to be taken following the diagnostic]

### **9. Recommendations of Priority Interventions**

[Including all potential interventions that will address the constraints facing the private

#### 9.1.1 Policy, institutional legal and regulations

[List specific Policy, institutional legal and regulations for improving institutions and regulations]

#### 9.1.2 Infrastructure and Land

[List specific recommendations for enhancing infrastructure and land use]

9.1.3 Skills and Innovation

[List specific recommendations for improving skills and fostering innovation]

9.1.4 Enterprise Support and Finance

[List specific recommendations for increasing enterprise support and access to finance Annex 1:

**Implementation Matrix**

No	Action Description	Responsible Party	Timeline	Resource Requirement

**Reference**

Annexes and Appendices

- ✓ Data Tables

[Include any relevant data tables used in the analysis]

- ✓ Additional Information

[Include any additional information, such as list of actors consulted, detailed stakeholder profiles, case studies,

## Annex 5: Public Private Dialogue Forum

### Draft TOR for the PPDF Secretariat-led by the Urban Manager

1. Convene forum and manage the operation of the dialogue forums. Using the register of business associations and database to identify members meeting established criteria to participate in the forums.
2. The Manager will draft the TOR of the forum including:
  - the goals and objectives of the PPDF, the functions, roles and responsibilities, the structure, membership criteria and relationship to other public participation and stakeholder engagement and governance processes based on review of the existing policy framework and ensure alignment with the county government and urban board institutional and organizational framework.
  - the governance arrangements (relationship with existing structures)
  - the management and operations including TOR for secretariat, budget, calendar, forum management tools and accountability and performance framework.
3. Set calendar, and draft agenda, manage forums and outputs for different working groups.
4. During first meeting facilitate establishment of PPDF committee (chair/co-chair, secretary) and working groups aligned to the policy levers i.e., the institutional and regulatory review, urban planning, infrastructure and land, skills and innovation, finance and enterprise development support, specific industry/sector groups. The working groups carry out necessary analytical work supported by the Urban Manager and meet as necessary and advice the plenary. Additional members co-opted as necessary from public and private entities to provide inputs.
5. The private sector representatives will serve in relevant roles on the committee and contribute technical, administrative and/or material support its operations.
6. Ensure members meeting established criteria to participate in the forums.
7. Resource Mobilization: Prepare resource frameworks, both financial and human, to support the operations of the forum. Prepare budget for forum activities including assessments, surveys, research to inform the forum for inclusion into the annual plan and budget through relevant departmental budget. Prepare resource mobilization strategy including seeking donor support or leveraging sponsorship/in-kind contributions from the private sector and participating stakeholders.
8. Capacity building and outreach for both internal departments within the urban organization and outreach amongst private sector, relevant institutions, CSOs and other actors.
9. Hold regular quarterly meetings and ad-hoc sector specific or issue-based forums using the mapping to ensure inclusive and targeted engagement. Facilitate meetings to encourage open participation, co-creation and programming, and learning. The forums will be timed and aligned for the outputs to inform the various county and urban plan preparation and budget processes.
10. Create and maintain mechanisms that facilitate two-way communication, inclusive access to information, and records and knowledge management.
11. Commission and coordinate with relevant departments and private sector actors and stakeholders the conduct of local economy assessments, private sector diagnostics, surveys, research and data analysis to influence/inform policy and intervention.
12. Prepare and implement a monitoring framework to track, monitor and report on the forum activities and outputs. Follow up actions and recommendations from the forum with the relevant departments/stakeholders ensuring they are incorporated into relevant county processes/documents for executive or legislative action and approval.
13. Manage communication and knowledge and records management. Ensure feedback is provided to the forum members and monitor the performance of the forums i.e., activities and outputs against the results and monitoring framework.

## City/Municipality Public-Private Dialogue Forum Record

<b>Date of Dialogue:</b>		
<b>Location:</b>		
<b>Duration: Start time:</b>		<b>End time:</b>
<b>Facilitator/Moderator:</b> Enter name and position		
<b>Participants:</b> Attach list of participants		
<b>Objectives of the dialogue:</b>		
<b>Agenda:</b>		
<b>Summary of Discussions:</b> Provide a detailed summary of the discussions that took place covering each agenda item		
<b>Agenda Issue</b>	<b>Key discussion points:</b>	<b>Key agreements and decisions</b> (see agreed action plan attached)
<b>Remarks/ Participant Feedback:</b> Summarize feedback received from participants regarding the dialogue process and outcomes		
<b>Resolutions/Conclusions:</b> Describe any resolutions/conclusions to be taken based on the dialogue outcomes		

**Contact Information for Follow-up**

**Municipality Contact:** [Name, Department, Position, Contact Details] **Private**

**Sector Contact:** [Name, Position, Contact Details] **Attachments**

- PPDF action plan

- List of participants
- Presentations: [Attach any presentations given]
- Handouts/Materials: [Attach any handouts or materials distributed]
- Photos: [Attach any photos taken during the dialogue]





## Annex 8: Capacity Building and Outreach Tools and Templates

Sample Capacity Building Plan Template

Target group	Training area	Resource requirement	Budget	Timeline
<b>1</b> Urban board Board members	<ol style="list-style-type: none"> <li>The role of the private sector in urban governance</li> <li>Understanding the urban economy and the role of the private sector</li> <li>Policy levers and tools to create competitive cities/ municipalities</li> </ol>	Consultants Induction workshops Training workshops Technical assistance		
<b>2</b> Urban administration Urban manager Urban officers	<ol style="list-style-type: none"> <li>Managing business Draft document member organizations – set up, outreach, capacity building</li> <li>Facilitation; stakeholder management; negotiation skills; conflict resolution</li> </ol>	Consultants Training workshops Technical assistance		
Urban database management specialists, data analysts;	<ol style="list-style-type: none"> <li>Data management</li> <li>GIS, data analytics</li> </ol>	Equipment: hardware, software Consultants Training workshops Technical assistance		
M&E officers				
<b>3</b> Private sector Business Organizations/Associations Membership	<ol style="list-style-type: none"> <li>Outreach and sensitization on the affiliation and accreditation</li> <li>Business association governance and leadership</li> </ol>	Consultants Training workshops Outreach and communications		

	<p>3. Management: setting calendars &amp; strategy and agenda setting, convening and Print and running meetings, decision soci making, taking minutes andal media channels reporting,</p> <p>4. Conflict resolution,</p> <p>5. Support member outreach communication, notices and information sharing to ensure accessibility to all for inclusive participation</p> <p>6. Record keeping</p>		
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**Annex 9: Sample Outreach and Communications Plan Template**

<b>Sample Outreach and Communications Plan Template</b>						
Date/Timeline	Activity/Event	Audience	Key messages (what the audience needs to know, understand or do)	Communication Channel	Feedback mechanism	Resources Budget

## References

1. Business Registration Service: <https://brs.go.ke/entities-registered/>
2. Kenya Standard Industrial Classification: <https://kesic.labourmarket.go.ke>
3. Micro and Small Enterprises Act (2012)
4. Toolkit for Competitive Counties in Kenya. A Practical Tool to Promote Firm Competitiveness for Jobs and Economic Transformation at the Subnational Level in Kenya. 2022. World Bank
5. Toolkit for Competitive Counties in Kenya. Companion forms and summary tables. 2022. World Bank
6. Urban Areas and Cities Act (UACA) No 13 of 2011, Amended 2019, Section 21 (1)(g), 22 and Second Schedule
7. Five Step Approach to Advocacy for BMOs [www.businessadvocacy.net](http://www.businessadvocacy.net)
8. Benjamin Herzberg and Andrew Wright, The Public- Private Dialogue Handbook: A Toolkit for Business Environment Reformers. December 2006. DFID, World Bank, IFC,OECD.  
<http://www.publicprivatedialogue.org/tools/PPDhandbookREFERENCES.pdf>
9. Charter of good practice in using public-private dialogue for private sector development.  
<http://www.publicprivatedialogue.org/charter/New%202015%20PPD%20Charter%20of%20Good%20Practice.pdf>
10. The PPD Handbook: A Toolkit for Business Environment Reformers .  
<http://www.publicprivatedialogue.org/papers/PPD%20handbook.pdf>

# **Migori County Private Sector Engagement Framework for Urban Boards**

