



**EMBU COUNTY GOVERNMENT**

**PRIVATE SECTOR ENGAGEMENT  
FRAMEWORK**

**2023**

**Embu County Government**

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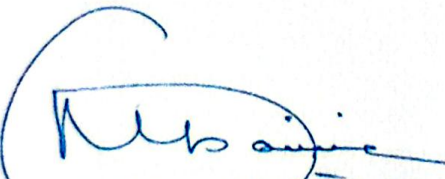
## FOREWORD

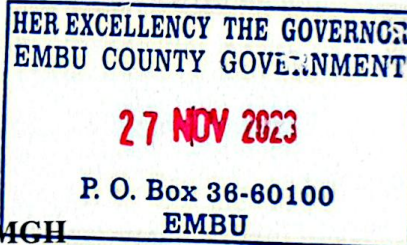
The Constitution of Kenya 2010 establishes the foundation for economic and business activities, that guarantees the protection of property rights, contract enforcement, and promoting economic freedom. It emphasizes the importance of public-private partnerships in driving economic growth and development. Pursuant to the County Government Act 2012, Public-Private Partnership Act 2021, Urban Areas and Cities Act 2011 and Embu County Public Participation in Governance Act 2023, the Embu County Government is in conformity with the legal provisions to enhance, promote and facilitate public-private engagement in governance and development processes.

This framework seeks to encourage investment and business growth through supportive policies and incentives that foster innovation and entrepreneurship by providing necessary resources and infrastructure. It further promotes job creation & skill development to empower the local workforce and enhance collaboration through public-private partnerships in order to address infrastructure and service delivery needs through provision of technical and financial support.

Availability of mechanisms that support inclusive multi-stakeholder partnerships to address complex development challenges and harness the development contributions of different types of private sector partners (small and medium-sized enterprises, multinational companies and business associations) as well as foundations, knowledge partners, CSOs and multilateral organizations and development finance institutions.

It is my wish that the framework provides opportunities for synergies, linkages and integration of business engagement between public and private sectors.

  
**H.E. CECILY M. MBARIRE EGH MGH**  
**THE GOVERNOR, EMBU COUNTY**



## ACKNOWLEDGEMENT

The creation of this private sector engagement framework is a testament to the dedicated efforts and collaboration of numerous individuals, groups, and organizations. This product has been developed through public -private dialogues in the county.


The preparation of this document was through a consultative public -private sector dialogue to establish the needs and potential of both sector in order to achieve sustainable economic development in the county. This framework further went a thorough scrutiny from executive and county assembly.

I wish to express special thanks to the following for their valued dedication to and input towards the production of this document:

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  - II. Jacob Kariuki Gititi- Director Urban Development
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  - IV. Kenneth Kivuti Njagi-Director Administration and Devolution
  - V. Nicholas Mogaka Barare – Legal Officer -Embu County

for conducting thorough research and providing technical expertise in the development of this framework.

It is my prayer that this framework is diligently implemented to ensure holistic implementation and enhancement of unreserved infrastructural development and service delivery to the residents of Embu County.

  
**AMY RURIA *RCrim***

**COUNTY SECRETARY & HEAD OF PUBLIC SERVICE**



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## LIST OF ACRONYMS AND ABBREVIATIONS

<b>BOLT</b>	Build-Operate-Lease-Transfer
<b>BOO</b>	Build-Own-Operate
<b>BOT</b>	Build-Operate-Transfer
<b>C.O</b>	Chief Officer
<b>CECM</b>	County Executive Committee Member
<b>CEREB</b>	Central Region Economic Bloc
<b>CMA</b>	Capital Markets Authority
<b>CPSEF</b>	County Private Sector Engagement Framework
<b>CS</b>	County Secretary
<b>CSO</b>	Civil Society Organization
<b>CSR</b>	Corporate Social Responsibility
<b>DBOT</b>	Design-Build-Operate-Transfer
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KPHC</b>	Kenya Population and Housing Census
<b>LDO</b>	Lease-Develop-Operate
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MER</b>	Monitoring, Evaluation, and Reporting
<b>OMT</b>	Operate-Maintain-Transfer
<b>PPDF</b>	Public Private Dialogue Forum
<b>PPPs</b>	Public-Private Partnerships
<b>PSE</b>	Private Sector Engagement
<b>ROI</b>	Return on Investment
<b>SME</b>	Small and Medium-Sized Enterprise
<b>UACA</b>	Urban Areas and Cities Act

## DEFINITION OF TERMS

<b>Term</b>	<b>Definition</b>
<b>Business Association</b>	An organized group of businesses that come together to promote and protect their collective interests
<b>Citizen Fora</b>	Means a forum for citizens organized for purposes of participating in the affairs of an urban area or a city
<b>Civil Society Organization</b>	Non-profit, voluntary groups that promote civic engagement, social advocacy, and development outside the government.
<b>Dialogue Partner</b>	Stakeholders involved in policy or program discussions, including businesses, CSOs, donors, or public entities.
<b>Formal and Informal Business</b>	Formal businesses legally registered and regulated; informal businesses that are unregistered and operate outside the formal economy
<b>Framework</b>	A structured guideline or methodology for systematic decision-making, planning, or risk management.
<b>Private Sector</b>	All for-profit enterprises that are privately owned and not operated by the government.
<b>Private Sector Engagement</b>	Strategic inclusion of private entities in development or governance processes to harness their expertise and resources.
<b>Professional Association</b>	Organizations of professionals in a specific field that promote standards, training, and policy advocacy.
<b>Public-Private Dialogue Forum</b>	Institutional platforms for structured discussions between government and private sector stakeholders.
<b>Research Institution</b>	Academic or technical bodies that conduct studies to support data-driven policies and innovation.
<b>Residents Associations</b>	Community groups that represent the interests of residents in a given area in local governance and development.
<b>Small and Medium-sized Enterprises</b>	Businesses with limited staff and turnover; critical to local economies but often constrained by resources.
<b>Social Responsibility</b>	Ethical practices by individuals or businesses to contribute positively to society and the environment.
<b>Umbrella Organizations</b>	Federated bodies representing multiple member organizations in a sector to amplify advocacy and coordination.
<b>Urban Area</b>	means a municipality, town or a market centre
<b>Urban Board</b>	means the board of a city or municipality constituted in accordance with section 13 and 14 of the Urban Areas and Cities Act.

## **EXECUTIVE SUMMARY**

Embu County is one of the 47 counties which were created by the Constitution of Kenya 2010. The county had an estimated population of 641,769 persons by the end of 2022. The administrative capital of the County is Embu town, formerly the Eastern Province headquarters. The County covers a total area of 2,818 sq. km and is divided into four (4) constituencies and twenty (20) Wards.

The County is inhabited predominantly by the Embu, Mbeere and Kamba ethnic communities. It is a home to major tourist attraction sites, that include: Mwea National Reserve, the Seven Forks dams, Mt. Kenya Forest, Nthenge Njeru and Mbui Njeru waterfalls, Kirimiri forest, and Karue hill.

The framework is divided into six chapters with different areas of focus.

Chapter one comprises of overview, status, challenges and key considerations in private sector engagement. Chapter two details the vision, objectives and the guiding principles. Chapter three depicts the legal and institutional framework while chapter four tackles the strategies for engagement and the policy framework and reforms. Chapter five deals with risk management and conflict resolution, while, chapter six contains monitoring, evaluation, and reporting matrix.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background**

The National Urban Development Policy (2016) approximates a rapid urban growth rate of 5% that has resulted in an urban population rise from 8% at independence to 40% in 2015. This projection depicts that more than half of the total population will be living in urban areas by 2050.

The Kenya Constitution 2010 brought about devolution resulting to increased economic vibrancy. The private sector is estimated to contribute 75% of the country's GDP and register a 90% employment of the working-age population. It is estimated that 1.5 million Micro, Medium and Small Enterprises (MSMEs) are formally registered and over 5 million MSMEs are informal. These collectively contribute 30% of the GDP. Thus, this sector is considered the primary driver of economic growth.

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

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

Whereas the national agencies engage in policy and regulatory reforms, counties streamline business registration, licensing, and operational processes. To perform these functions effectively, the county governments and urban boards are required to engage the private sector in the process of planning and implementation of their socio-economic agenda.

Despite the vital role of the private sector in urban development, there are no structured engagement mechanisms resulting to weak participation in urban planning. Thus, there is need to institutionalize inclusive structured engagement framework, leading to more responsive policies and investments, fostering competitive environments and vibrant private sector growth.

The Private Sector Engagement Framework (PSEF) is a document that continuously guides County's engagement with the private sector. It is enriched and adapted as circumstances change, ensuring that the framework is able to continuously identify the most sustainable business solutions. Private Sector Engagement (PSE) refers to the interest of private sector to work more strategically and systematically with the County government to meet mutual sustainable development goals.

The framework is grounded in overarching development co-operation objectives with a holistic approach to private sector engagement that makes use of modalities including knowledge and information sharing, policy dialogue, technical assistance, capacity development and finance, harnesses synergies and linkages between modalities and includes a wide range of partners.

Good practice when establishing private sector engagement includes ensuring that

mechanisms are available to support inclusive multi-stakeholder initiatives as well as individual partnerships and use of centralized & decentralized engagement mechanisms. This provides a conducive private sector engagement as a specific initiative and criteria for integration of responsible business conduct.

Private sector framework is a means to an end, where development objectives and desired results for holistic development underlie the private sector engagement portfolios. Engagement mechanisms should be aligned to overall development co-operation priorities. In addition, the engagement with the private sector is rooted in a theory of change in order to realize specific development results.

The private sector engagement is informed by good development practice, principles for effective development co-operation, that is integrated into private sector engagement strategies. The mechanism is to ensure county ownership, alignment, harmonization, value for money, transparency & accountability, and establish inclusive partnerships. The engagements are informed by clear criteria that considers responsible business conduct, due diligence procedures and consideration of economic, social and environmental impacts and risks.

Private sector engagement (PSE) is a strategic approach to development where the county government consults, strategizes, aligns, and implements activities with the private sector for greater scale, effectiveness, and sustainable outcomes. This working relationship will promote a dynamic source of ideas, innovation, expertise, investment, and resources that will continue to yield growth and development.

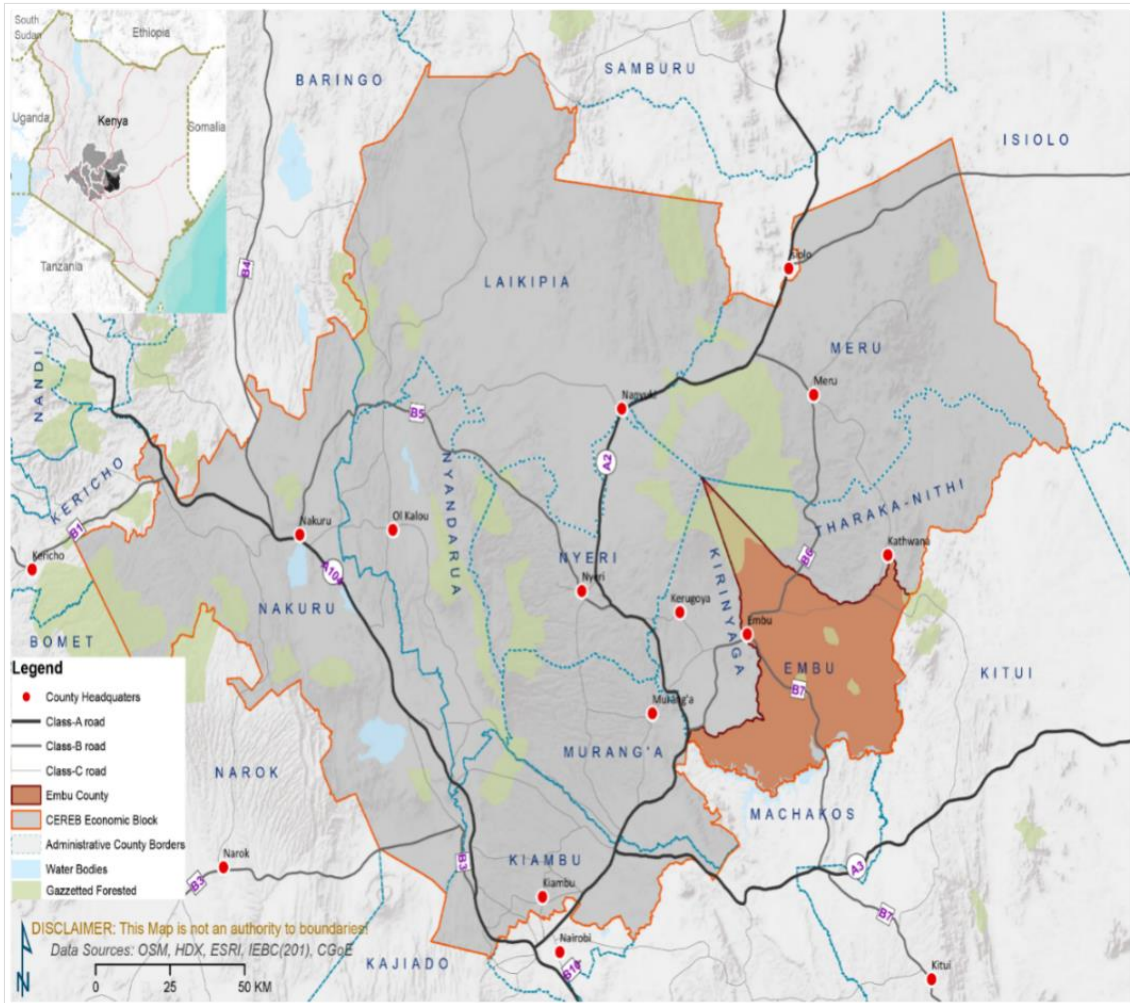
## **1.2 Embu County**

Embu County is one of the 47 counties which were created by the Constitution of Kenya 2010. It had an estimated population of 641,769 persons by the end of 2022 as per Kenya Population and Housing Census, 2019. The administrative capital of the County is Embu town which is currently the regional headquarter for Eastern region. It covers a total area of 2,818 square kilometres and is divided into four constituencies, namely: Runyenjes, Manyatta, Mbeere South and Mbeere North. The major towns in the county are Embu, Runyenjes, Kiritiri, Siakago, Manyatta, Ishiara, Kianjokoma, Kanyuambora, Makutano and Karaba.

The County is inhabited predominantly by the Embu, Mbeere and Kamba ethnic communities with Thuci, Tana, Rupingazi, Thiba, Kapingazi, Thura and Ena rivers transversing the county. Major hills include; Kiang'ombe, Kiambere, Karue, Kianjiru, Kiri-miri and Ndune. It has tourist attraction features such as Mwea game reserve, South Eastern route to Mt. Kenya, waterfalls among them; Ndunda, Nthenge Njeru and Gitwa. Masinga, Kamburu, Kindaruma, Kiambere and Gitaru dams form the seven forks.

The County is part of the Central Region Economic Bloc (CEREB) which comprises ten counties namely: Embu, Kiambu, Kirinyaga, Laikipia, Meru, Murang'a, Nakuru, Nyandarua, Nyeri and Tharaka-Nithi.

The location of Embu County in the CEREB is depicted in figure 1.

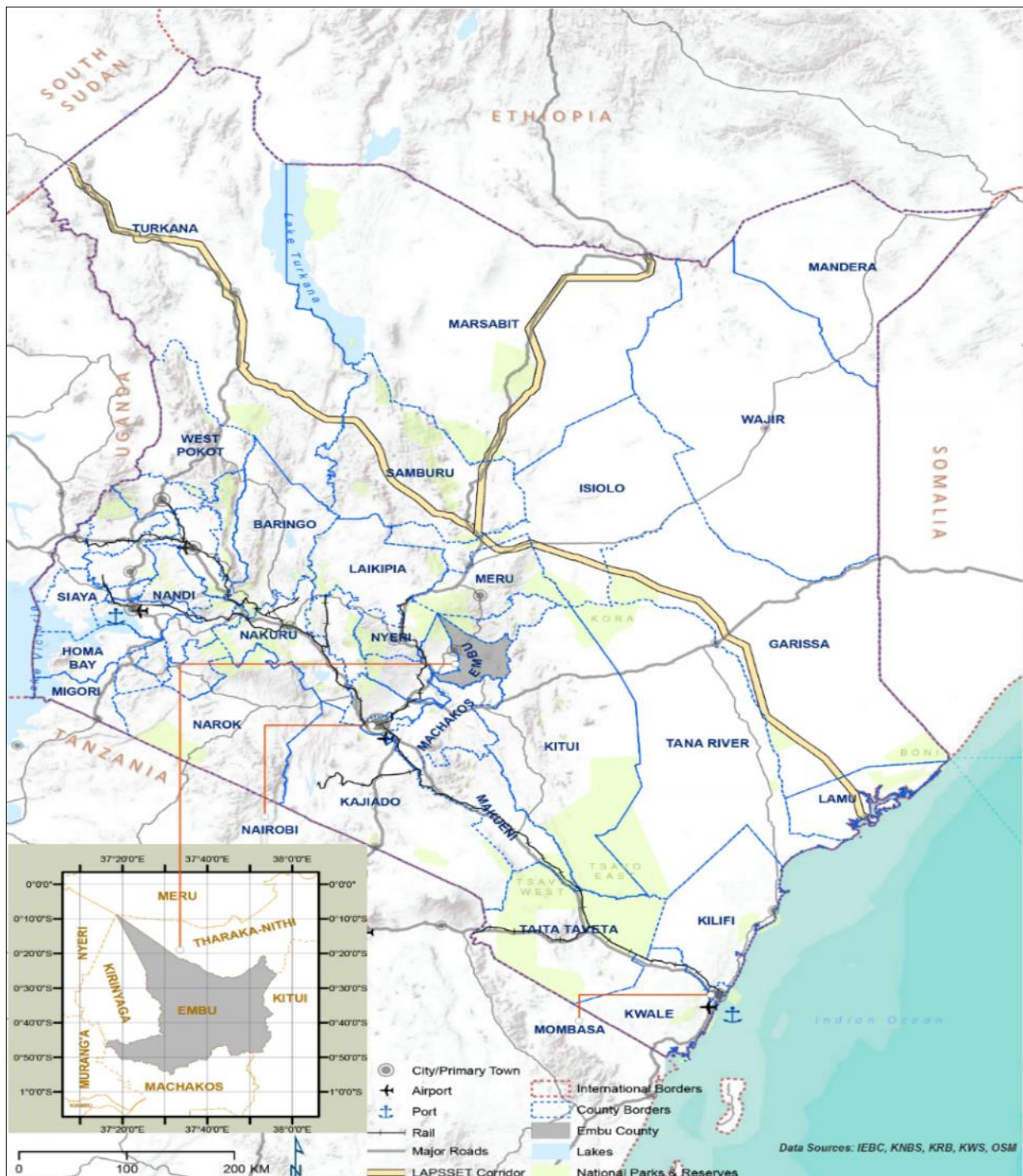


**Figure 1: Location of EMBU in CEREB Region Block**

The major economic activity is agriculture with 70 percent of the population deriving their livelihood from crop production and livestock keeping. The main commercial crops are coffee, tea, macadamia and khat (Muguka); while the main food crops include maize, beans, Irish potatoes, sweet potatoes, cassava, green grams, cowpeas, sorghum and millet. Notably, drought-tolerant and resistant food crops such as green grams, cowpeas, sorghum and millet tend to be concentrated in Mbeere North and Mbeere South. The other crops grown in Embu include tomatoes, butternut, sun flower, French beans and watermelon.

### 1.2.1 Position and Size

Embu County is located approximately between latitude  $0^{\circ} 10'$  and  $0^{\circ} 55'$  South and longitude  $37^{\circ} 15'$  and  $37^{\circ} 55'$  East. It borders Kirinyaga County to the West, Kitui County to the East, Machakos County to the South, Murang'a County to the Southwest, Tharaka Nithi County to the North and Meru to the Northwest. The County covers a total area of 2,818 sq. km and is divided into six sub-counties, namely: Embu West, Embu North, Embu East, Mbeere South, Mbeere North and Mwea. The depiction of the location of Embu County in Kenya is provided in figure 2.



**Figure 2: Location of Embu County in Kenya**

## 1.2.2 Demographic Features

### 1.2.2.1. Population size and composition

The 2019 Population and Housing Census recorded a population of 608,599 persons for Embu County consisting of 304,189 males and 304,364 females. This population is projected to rise to 655,034 in 2024 at population growth rate of 1.65 percent per annum. Table 2 provides a breakdown of population by sub-county.

**Table 1: Population Projections (by Sub-County and Sex)**

Sub- County	Census (2019)			2022 (Projection)			Projection (2024)			Projection (2025)		
	M	F	T	M	F	T	M	F	T	M	F	T
Embu East	64,571	64,991	129,562	67,279	69,359	136,638	68,582	70,882	139,463	69,233	71,643	140,876
Embu North	39,665	39,888	79,553	41,329	42,569	83,898	42,129	43,503	85,632	42,529	43,970	86,499
Embu West	63,125	63,966	127,091	65,773	68,265	134,038	67,046	69,764	136,810	67,683	70,513	138,196
Mbeere North	53,517	55,360	108,877	55,762	59,081	114,843	56,841	60,378	117,219	57,381	61,026	118,407
Mbeere South	51,758	49,215	100,973	53,929	52,523	106,452	54,973	53,676	108,649	55,495	54,252	109,747
Mwea	31,553	30,944	62,497	32,876	33,024	65,900	33,513	33,749	67,261	33,831	34,111	67,942
*Mt Kenya Forest			22									
*Intersex			24									
<b>Total</b>	<b>304,189</b>	<b>304,364</b>	<b>608,599</b>	<b>316,948</b>	<b>324,821</b>	<b>641,769</b>	<b>323,084</b>	<b>331,950</b>	<b>655,034</b>	<b>326,152</b>	<b>335,515</b>	<b>661,667</b>

*Source: - KNBS Kenya Population and Housing Census (KPHC) Report, 2019*

Embu East sub-County is expected to have the highest population in 2024 at 139,463 persons, comprising 68,582 males and 70,882 females. Mwea Sub-County is expected to have the lowest population of 67,261 comprising 33,513 males and 33,749 females.

### 1.2.2.2 Population Distribution by Ward

The total population for the 20 wards of the county in 2019 was 608,599 comprising of 304,189 males and 304,364 females. This population is projected to increase to 655,034 comprising of 323,083 males and 331,950 females. The distribution of the population in the wards is tabulated in Table 3

**Table 2: Population Projection by Ward**

Ward Name	Census (2019)			2022 (Projection)			Projection (2024)			Projection (2025)		
	M	F	T	M	F	T	M	F	T	M	F	T
Ruguru Ngandori	15,243	15,460	30,703	16,074	16,303	32,378	16,407	16,640	33,047	16,573	16,809	33,382
Kithimu	10,647	10,397	21,044	11,228	10,964	22,192	11,460	11,191	22,651	11,576	11,304	22,880
Nginda	14,633	14,679	29,312	15,431	15,480	30,911	15,750	15,800	31,550	15,910	15,960	31,869
Mbeti North	23,559	23,510	47,069	24,844	24,792	49,636	25,357	25,305	50,662	25,614	25,561	51,175
Kirimari	18,353	19,479	37,832	19,354	20,541	39,896	19,754	20,966	40,720	19,954	21,178	41,132
Gaturi South	7,506	7,430	14,936	7,915	7,835	15,751	8,079	7,997	16,076	8,161	8,078	16,239
Gaturi North	12,849	12,899	25,748	13,550	13,603	27,152	13,830	13,884	27,714	13,970	14,024	27,994
Kagaari South	12,870	12,527	25,397	13,572	13,210	26,782	13,853	13,483	27,336	13,993	13,620	27,613
Central	12,788	12,909	25,697	13,486	13,613	27,099	13,765	13,894	27,659	13,904	14,035	27,939
Kagaari North	13,338	13,778	27,116	14,066	14,530	28,595	14,357	14,830	29,187	14,502	14,980	29,482
Kyeni North	10,896	11,354	22,250	11,490	11,973	23,464	11,728	12,221	23,949	11,847	12,345	24,191
Kyeni South	14,679	14,423	29,102	15,480	15,210	30,689	15,800	15,524	31,324	15,960	15,681	31,641
Mwea	16,761	17,014	33,775	17,675	17,942	35,617	18,040	18,313	36,353	18,223	18,498	36,722
Makima	14,792	13,930	28,722	15,599	14,690	30,289	15,921	14,993	30,914	16,082	15,145	31,228
Mbeti South	22,168	20,322	42,490	23,377	21,430	44,808	23,860	21,873	45,734	24,102	22,095	46,197
Mavuria	20,901	20,268	41,169	22,041	21,373	43,415	22,496	21,815	44,311	22,724	22,036	44,761
Kiambere	8,689	8,625	17,314	9,163	9,095	18,258	9,352	9,283	18,635	9,447	9,377	18,824
Nthawa	19,864	19,174	39,038	20,947	20,220	41,167	21,380	20,638	42,018	21,597	20,847	42,444
Muminji	9,417	9,804	19,221	9,931	10,339	20,269	10,136	10,552	20,689	10,239	10,659	20,898
Evurore	24,236	26,382	50,618	25,558	27,821	53,379	26,086	28,396	54,482	26,350	28,684	55,034
Mt. Kenya Forest	19	3	22	19	3	22	20	3	23	21	3	24

*Source: - KNBS Kenya Population and Housing Census (KPHC) Report, 2019*

Population density is a measure of the population per square Kilometer, while the distribution is the spread of people in a particular area. Kirimari ward is projected to have the highest population density at 1,733 persons followed by Mbeti North ward at 930 persons. The population density in the wards is tabulated in Table 4:

**Table 3: Population distribution and density by Ward**

Ward Name	Area (KM2)	Census (2019)		2022 (Projection)		Projection (2024)		Projection (2025)	
		Population	Density	Population	Density	Population	Density	Population	Density
Ruguru Ngandori	42.7	30,703	719	32,378	758	33,047	774	33,382	782
Kithimu	47.5	21,044	443	22,192	467	22,651	477	22,880	482
Nginda	41.6	29,312	705	30,911	743	31,550	758	31,869	766
Mbeti North	54.5	47,069	864	49,636	911	50,662	930	51,175	939
Kirimari	23.5	37,832	1,610	39,896	1698	40,720	1,733	41,132	1750
Gaturi South	21.6	14,936	691	15,751	729	16,076	744	16,239	752
Gaturi North	37.8	25,748	681	27,152	718	27,714	733	27,994	741
Kagaari South	78.2	25,397	325	26,782	342	27,336	350	27,613	353
Central	32	25,697	803	27,099	847	27,659	864	27,939	873
Kagaari North	43.8	27,116	619	28,595	653	29,187	666	29,482	673
Kyeni North	29.8	22,250	747	23,464	787	23,949	804	24,191	812
Kyeni South	69.4	29,102	419	30,689	442	31,324	451	31,641	456
Mwea	180.7	33,775	187	35,617	197	36,353	201	36,722	203
Makima	336.7	28,722	85	30,289	90	30,914	92	31,228	93
Mbeti South	255.4	42,490	166	44,808	175	45,734	179	46,197	181
Mavuria	266.4	41,169	155	43,415	163	44,311	166	44,761	168
Kiambere	272.9	17,314	63	18,258	67	18,635	68	18,824	69
Nthawa	134.7	39,038	290	41,167	306	42,018	312	42,444	315
Muminji	233.9	19,221	82	20,269	87	20,689	88	20,898	89
Evurore	415	50,618	122	53,379	129	54,482	131	55,034	133
Mt. Kenya Forest	203	22	0	22	0	23	0	24	0

*Source: - KNBS Kenya Population and Housing Census (KPHC) Report, 2019*

### **1.3 Rationale for a Framework for Public-Private Engagement for Urban Development**

Kenya's constitutional and legal frameworks recognize the private sector as a key player in urban development—driving the urban economy, creating jobs, generating revenue, and partnering in service delivery. Counties, cities, and municipalities are tasked with creating inclusive, competitive business environments through functions such as urban planning, development control, business and trade regulation, land surveying, enterprise and skills development, and infrastructure services like roads, drainage, water, and sanitation.

Engaging the private sector is essential to these processes leading to attraction and retention of private sector investment, driving job creation, stimulating economic growth, and increasing local tax revenue for further urban infrastructure development and provision of services. Private sector participation allows counties to leverage private sector capital, technology, and innovation, forming partnerships that improve service delivery and infrastructure.

The Urban Areas and Cities Act (UACA), 2011 mandates boards to establish mechanisms for active public participation in urban management and convene citizen fora, in order to engage residents in aligning policies and investments with the need diagnostics. However, there exist some challenges which impede the engagement process, more specifically;

- i. Lack of a structured way of engagement.
- ii. Lack of database showing the private sector diagnostics.
- iii. Lack of symbiotic relationship that is essential for mutual benefit between stakeholders.
- iv. Lack of harmony between the existing legislation.
- v. Lack of understanding between urban boards and the private sector in urban development and service delivery.

It is expected that this County Private Sector Engagement Framework will offer a standardized, systematic approach for urban boards to partner with the private sector, supporting participatory urban development and fostering competitive, inclusive business environments.

### **1.4 Status of Private Sector Engagement in Embu County**

The Embu County Government recognizes the critical role of the private sector in fostering economic growth, job creation, and sustainable development. This framework outlines the methodology for engaging and collaborating with the private sector to drive innovation, investment, and overall economic prosperity within the County.

The framework is designed to address existing challenges hindering the County's economic growth and propel its journey to self-reliance. This entails a commitment to developing “win-win” solutions that make business sense while addressing development challenges. By building lasting partnerships within the private sector, the framework ensures that investments are directed to programs that ensure long-term growth and sustainable development.

### **1.5 Development of the framework**

This CPSEF was developed through a participatory process involving county government departments, municipality board, private sector representatives (including from private sector associations, informal enterprises, women, youth, and persons with disabilities), residents associations and Civil Society Organizations (CSOs).

### **1.6 Key Considerations in Private Sector Engagement**

- i. Availability of mechanisms that support inclusive multi-stakeholder partnerships to address complex development challenges and harness the development contributions of different types of private sector partners (small and medium-sized enterprises, multinational companies and business associations).
- ii. Opportunities for synergies and linkages between modalities and mechanisms.
- iii. Integration of responsible business conduct across all modalities for private sector engagement.
- iv. Availability of centralized and decentralized private sector engagement mechanisms.
- v. Examination of how mechanisms fill gaps in existing support mechanisms provided by other government institutions and harness multilateral initiatives for private sector engagement in development co-operation.

### 1.7 Private Sector Profile

Key areas or sectors within the private sector encompass a wide array of Actors that drive economic activity, innovation, and employment. Without limiting to the services and activities of the private sector, the county government shall engage the various actors in the following areas:

**Table 4: Key actors and roles**

<b>Actor</b>	<b>Roles and Responsibilities</b>
National Government	<ol style="list-style-type: none"> <li>i. <b>Kenya National Bureau of Statistics (KNBS):</b> The Kenya National Bureau of Statistics has the responsibility of coordinating the National Statistical System (NSS).</li> <li>ii. <b>Kenya Standard Industrial Classification (KeSIC)</b> developed by the Ministry of Labour and Social Protection and KNBS for statistical purposes for business coding system provides a comprehensive framework for categorizing businesses based on their primary activities or industries..</li> <li>iii. <b>Medium and Small Enterprises Authority (MSEA):</b> This coordinates, harmonizes and facilitates the integration of various public and private sector activities, programmes and development plans relating to micro and small enterprises (MSEs).</li> </ol>
County Government	<ol style="list-style-type: none"> <li>i. <b>County Executive:</b> Assists in planning, adopting, and reviewing Integrated Development Plans (IDePs), ensuring alignment with county and national policies and strategies.</li> <li>ii. <b>Urban boards:</b> Implement the CPSE Framework, incorporating activities into IDePs, annual plans, and budgets.</li> <li>iii. <b>County Revenue Boards</b> responsible for county revenue management and maintaining Business database.</li> <li>iv. <b>County Investment Authorities</b> conduct research, investment promotion and outreach activities.</li> <li>v. <b>County Assembly (CA):</b> Approves urban board appointments, county plans, IDePs and urban board budgets, and oversees urban development policies and regulations.</li> </ol>
Private Sector	<p>Private Sector Engages in dialogue with urban boards to influence policy, urban planning, and investment priorities. It offers resources, technology, and expertise to enhance infrastructure and service delivery while ensuring alignment with business growth opportunities.</p> <ol style="list-style-type: none"> <li>i. <b>Formal and Informal Businesses:</b> They actively participate in dialogue and help identify urban development needs, policies and investment opportunities that support business growth.</li> <li>ii. <b>Business Associations and Umbrella Organizations:</b> These act as: <ol style="list-style-type: none"> <li>a. Intermediaries for collective private sector interests, focusing on</li> </ol> </li> </ol>

	<p>policy advocacy, promotion, and standardization.</p> <p>b. They organize engagement with urban boards to ensure private sector priorities are represented.</p> <p>c. They play a key role in shaping the policy and regulatory environment, strategic urban initiatives and investment decisions.</p>
Other State and Non-State Actors	<p>i. <b>Professional Associations and Research Institutions:</b> Provide technical expertise through surveys, research, and data analysis to guide urban planning and policy making.</p> <p>ii. <b>Dialogue Partners:</b> They collaborate with urban boards to support the implementation of policies, regulatory reforms, and capacity building for urban development. They also facilitate coordination between national and government functions.</p> <p>iii. <b>Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs):</b> Advocate for issues such as gender equity, climate action, environmental protection, social and economic inclusion. They ensure that urban development is inclusive and addresses broader social, economic, environmental, and community concerns, bringing marginalized voices into the conversation.</p> <p>iv. <b>Residents associations:</b> Resident associations represent important organized urban constituents and stakeholders residing and engaging with and contributing to the urban economy within the municipality..</p>

These actors are vital contributors to economic growth, employment, and innovation within the county. Collaborating with these actors presents an opportunity for the public sector to enhance service delivery, infrastructure development, and economic progress.

### 1.8 Benefits of adopting the Private Sector Engagement framework

Adoption of this Private Sector Engagement Framework, it is anticipated that there will be enhanced involvement not only in planning of the urban areas but also stimulate additional investments that contribute to socio-economic development and thus raise the GDP. More specifically, the benefits include:

- i. **Institutionalized engagement:** county and urban boards shall have a structured way of engagement with the private sector that shall be consistent shifting from fragmented, transactional interactions.
- ii. **Symbiotic relationship:** CPSEF will foster mutual understanding, align priorities, enhance policy effectiveness, encourage formalization, improve compliance, and boost private sector contributions to the local economy.
- iii. **Knowledge and resource sharing:** the Framework will enable the County to leverage on private sector expertise in research, technology, management, and innovation to enhance public sector efficiency and productivity.
- iv. **Clarifies roles and responsibilities:** the framework will clearly defines the roles of county governments, the private sector, and other stakeholders, fostering commitment, accountability, and improved performance through shared goals.
- v. **Strengthens trust and cooperation:** the framework will promote collaboration by breaking down barriers, fostering trust, and building a social contract that supports reform implementation and compliance.
- vi. **Reduces information gaps:** the framework will bridge knowledge and information gaps between the public and private sectors, leading to more informed decision-making and efficient cooperation.
- vii. **Builds partnerships:** the framework will facilitate partnerships by deepening the understanding between urban boards and the private sector, leading to the

identification of opportunities, resource mobilization, and risk-sharing to enhance urban development and service delivery.

### **1.9 Components of the CPSEF**

The components essential for effective engagement with private sector for urban planning and development and inclusive competitive business environments includes:

#### **1.9.1 Private sector database:**

Access to up-to-date data on the composition of the private sector will aid in facilitating the targeted engagement for economic and statistical analysis in urban policy and planning.

##### **i. Key data points should include:**

- a) Business name, contact details, address, and geo-location
- b) Municipality, sub-county, and ward
- c) Industry, sector, and business activity
- d) Ownership, registration details, size (employment), and financial information (turnover, assets)
- e) Business affiliations and associations

##### **ii. Sources of data:**

- a) **County government** departments shall collect and store this data through in the performance of their respective functions.
- b) **Local Chambers of Commerce, trade associations and organized groups:** The Kenya National Chamber of Commerce and Industry (KNCCI) has well established and active devolved chapters in all counties which have an active membership and data that can be shared with urban boards. Trade associations and organized groups also have data which could be shared with the urban boards to enhance urban planning and development.
- c) **National institutions:** these institutions collect data and publish relevant information that may be useful for urban planning and development.

**iii. Standardized coding of business categories:** A standardized coding system for business categorization is necessary to facilitate uniformity in business categorization. The county shall adopt a standardized coding system for business categorization to ensure uniformity.

**iv. Data management and visualization:** The urban boards shall create and maintain database management systems to facilitate visualization.

**v. Data privacy and security:** Urban boards shall comply with the **Data Protection Act, 2019** to ensure data security and privacy. While particular information from the database should be made publicly accessible to stakeholders via secure portals, it shall be in accordance with the **Access to Information Act, 2016 and Embu county Access to Information Act, 2015**.

**vi. Public accessibility to private sector database:** Once established, the urban boards shall provide access to information on the private sector database by publishing data on their websites, in line with data protection legislation and regulations.

#### **1.9.2 Private sector diagnostic:**

Diagnostics to assess the business environment, identify constraints, and propose interventions. They are conducted to gain a deeper understanding of the local business environment, market dynamics, and key constraints affecting private sector competitiveness. They unlock private sector-led growth and investment towards accelerating economic growth within an appropriate policy and regulatory regime and help to identify untapped private investment opportunities and associated barriers.

The process involves **desk research** and **business/enterprise surveys**; and **consultative sessions** with the private sector and other stakeholders to assess the local business landscape. The diagnostic findings should be made publicly available and will inform **public-private dialogue forums** as well as the preparation and review of the private sector related policies and regulations. In addition, **it informs preparation of the Integrated Development Plans (IDePs), Annual Urban Plans, and budgets.**

### **1.9.3 Public private dialogue forums (PPDFs):**

There will be regular, structured dialogues with private sector actors to align policy and investment priorities. These fora shall inform annual urban plans and investment priorities and provide feedback loops for continuous improvement. Urban boards shall establish **regular, purpose-driven dialogue** forums with private sector actors to better understand the business environment, the private sector, their needs and the barriers they face and the opportunities to develop inclusive, competitive urban areas.

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

#### **a) Convening the Public-Private Dialogue Forum (PPDF)**

The county shall develop a county private sector dialogue forum structure that the urban boards will adopt, building on and aligning with the existing county and urban structures guided by existing county guidelines on public participation. The urban board is responsible for operationalizing and resourcing the PPDF.

#### **b) Urban area PPDF structure:**

- i. **Champion:** The board member representing the private sector or chairing the committee responsible for the private sector shall champion the PPDF.
  - ii. **Secretariat:** The board shall establish a secretariat led by the urban manager (who will act as secretary of the forum) to manage the forum's operations. Private sector representatives with relevant skills may contribute and provide technical and administrative support.
  - iii. **PPDF membership:** The board shall define membership criteria that is inclusive and adequately reflects their local private sector.
  - iv. **Leadership:** A leadership structure shall be created with the board member responsible for the PPDF as chair the forum and a private sector representative as co-chair.
  - v. **Working groups or committees** may also be created, aligned with local industry sectors or policy priorities.
- c) **Organizing the PPDF:** County departments and municipalities engage the business community in budget and policy dialogue. To conduct structured dialogue the board should cluster businesses and associations by sector or industry to define common needs and priorities.
- d) **PPDF calendar of meetings: Plenary PPDF** shall be held at least twice a year, timed to influence key decision-making processes in county and urban planning and budgeting. The urban manager will prepare and publish the calendar and meeting agenda, which will involve discussions on priorities for each policy area
- e) **Ad-hoc meetings** may be convened as needed to review policy and regulatory proposals.
- f) **Meeting format:** The agenda and meeting format shall promote open dialogue and exchange of local knowledge, expertise, evidence-based insights as informed by diagnostic reports, local economy assessments, urban area plans and sectoral studies, to ensure that the recommendations are grounded in local realities.
- g) **Minutes, action plan and follow up:** Minutes shall be prepared after each forum, reporting on the main agreements and recommendations. This shall be presented and considered during citizen fora during the preparation and review of the IDeP, the urban area annual strategic plan and budget estimates. The urban manager is responsible to follow up on actions by the board and for reporting back to the PPDF plenary on the board's actions and decisions. If interventions require action from county government or other public agencies, the manager shall coordinate with the relevant actors and provide updates.

- h) **Monitoring and Accountability:** The urban manager is responsible to monitor the progress of the PPDF action plan, track follow-up actions, maintain records, assess outcomes, and evaluate the effectiveness of the dialogue. This process will support continuous improvement in performance.
- i) **Linkage to the citizen fora:** As outlined in the **UACA Act, 2011**, urban boards are required to hold citizen fora, providing a platform where representatives of urban residents, the urban board, and relevant agencies shall engage in dialogue on key urban development issues, share concerns, agree on goals, and set priorities.

The priorities, resolutions, and submissions from the **PPDF** will be presented by business association representatives at the citizen fora for further consideration by the urban board.

#### **1.9.4 Capacity building:**

The CPSEF will enable will enable capacity building of the stakeholders. To ensure effective implementation of the framework, urban boards shall develop a comprehensive **capacity building and outreach strategy** as per the **Second Schedule of the UACA**. Resources must be allocated annually to support these activities.

- i. **Urban Board Capacity:** The urban board shall assess its current capacity, identify gaps, and create a capacity-building plan, investments in staff training, workshops, technical assistance, and necessary tools like software and equipment to support engagement, communication, and outreach.
- ii. **Private sector capacity:** For effective engagement, the urban board shall strengthen the private sector's capacity through targeted outreach and training activities.

The urban manager is responsible for planning and budgeting the capacity-building activities for the urban board, administration, business associations, and clusters.

#### **1.9.5 Communication and feedback channels:**

The framework shall facilitate two-way communication for inclusive and continuous dialogue. Establishment of clear, accessible channels for timely, two-way communication and information dissemination is essential for effective engagement efforts. The boards shall leverage technology to ensure efficient communication flow and equitable access to information. The urban manager shall oversee regular communication with private sector organizations, ensuring timely updates and continuous engagement.

#### **1.9.6 Institutional arrangements and resource framework:**

The CPSEF will ensure effective and efficient institutional arrangements, coordination and resource (human and capital) allocations. In order to effectively operationalize the engagement framework the following institutional roles and resources are required:

- a) **Urban Board:**
  - i. **Urban Board Chair** has the overall responsibility for overseeing the implementation of the framework.
  - ii. Chair of the **Board Committee (or Sub-Committee)** responsible for private sector engagement, business environment, urban economy, or trade is responsible to champion the framework.
- b) **Urban Administration:**
  - i. **Urban Manager:**
    - Shall be responsible for setting up the secretariat, planning and managing engagement activities, coordinating implementation of action plans, tracking and monitoring results, and reporting progress against established performance targets and engagement indicators.
    - Shall serve as the **secretary and facilitator** of PPDFs
    - Shall be responsible for planning capacity-building and outreach activities, and maintaining two-way communication.

- ii. **Sectional Heads and Officers:** Shall be responsible to implement actions relevant to their department as assigned. The officers will be required to have relevant skills and competencies to carry out specific duties; including:
  - GIS, data analytics and database management.
  - Advocacy, partnership building, and negotiation.
  - Communication, stakeholder management, and organizing and coordinating PPDFs.
  - Economic analysis, strategy development, and investment promotion.
  - Financial instruments and management.
- c) **Operations and Finance:** the urban board shall be allocated sufficient resources for annual capital and recurrent budgets.
- d) **Coordination mechanisms:** The urban board shall coordinate mechanisms to ensure horizontal linkages across County departments and vertical connections between urban structures, and relevant Ministries, Departments and Agencies.
- e) **Partnerships:** Partnership policies, guidelines, and modalities are necessary to leverage private sector expertise and resources to support the successful implementation of the framework.

### 1.10 Enablers for effective and sustained private sector engagement

- i. **Policy commitment and accountability:** Adoption of the framework by the county executive shall be anchored in and supported by county policy and legal frameworks harmonized with local regulation.
- ii. **Institutional commitment:** The County leadership is essential to champion engagement, ensure adequate predictable budgetary resources, and to hold all stakeholders accountable for implementing reforms and achieving outcomes. The Urban board must commit to its role, delegate responsibilities, and support the urban management.
- iii. **Collaboration mechanisms:** Effective collaboration between the county departments and urban boards is essential to operationalize the framework and facilitate capacity support, sharing of information and resources for seamless implementation.
- iv. **Partnerships:** Establishing and strengthening partnerships with external actors such as the local chambers of commerce as key channels for engagement, to facilitate outreach, capacity building, diagnostic surveys and research; which data can be tapped into to support the municipality carry out diagnostics.
- v. **Allocate adequate resources and staff:** the county shall plan for and ensure allocation of adequate budgetary resources for engagement activities; and suitably skilled staff to support the urban management. Technical capacity should align with the demands of private sector engagement and urban development.
- vi. **Technology and innovation:** The County shall invest in digital tools for data management, mapping, and analytics to enhance the urban board's capabilities for strategic engagement and evidence-informed decision making.
- vii. **Leverage private sector expertise and innovation through partnerships:** the County shall develop partnerships and outsource tasks to the private sector to capitalize on their expertise.
- viii. **Transparency and Accountability:** The County shall set clear goals and objectives for the engagement process, supported by robust monitoring and performance frameworks, integrate reporting into the urban board's strategic plan and ensure public access to all information.
- ix. **Inclusive Representation:** the county shall implement guidelines for diverse representation and establish open representative dialogue processes.
- x. **Capacity Building:** the county shall provide the necessary staff and resources for capacity building of the urban board, administration and private sector.

## **CHAPTER TWO**

### **VISION, OBJECTIVES AND PRINCIPLES**

#### **2.1 Strategic Direction of the County**

##### **2.1.1 Vision**

“A Thriving Partnership for Inclusive Economic Growth and Sustainable Prosperity”

##### **2.1.2 Mission**

"Empowering Collaboration, Innovation, and Sustainable Progress through Private Sector Engagement"

#### **2.2 Objectives**

##### **2.2.1 General Objective of the framework**

This CPSE framework seeks to provide the county government with a common approach to guide urban board in engaging the private sector in urban planning, mapping local businesses, understanding the business environment, fostering structured evidence-based engagement that shapes participatory urban policies and plans.

##### **2.2.2 Specific Objectives**

Without prejudice to the foregoing, the engagement framework seeks:

- i. Increased private sector participation in urban planning and development.
- ii. Better alignment of urban policies with private sector needs.
- iii. Enhanced collaboration between urban board and private sector entities.
- iv. Leveraged private sector expertise and resources for infrastructure and service delivery.
- v. Trust-building between public and private sector actors, fostering commitment to shared urban development goals.
- vi. To encourage investment and business growth through supportive policies and incentives.
- vii. Promote job creation and skill development to empower the local workforce.

#### **2.3 Approach to the PSE Framework**

The framework:

- i. Aligns with Kenya's constitutional, legal, policy, and institutional framework governing devolved urban governance, administration, and service delivery.
- ii. Anchors on the legal basis for private sector engagement in urban governance, complementing existing county and urban policies and citizen engagement structures.
- iii. Defines the roles of public and private sector actors, engagement structures and processes, ensuring inclusive representation and accessibility for both formal and informal private sector actors.
- iv. Components are interconnected, building on existing county and urban governance structures to inform planning, budgeting, investment, service delivery, and accountability.
- v. Guides the urban board in organizing the private sector for effective engagement, identifying needs, and convening structured dialogue forums.
- vi. Encourages use of analytical tools to identify and categorize interventions to improve business environments and foster enterprise growth.

## 2.4 Guiding Principles

The following guiding principles will govern the engagement and collaboration between the County Government and the private sector:

- i) **Transparency and Accountability:** All engagements will be conducted transparently, and accountability will be upheld in all interactions and agreements.
- ii) **Mutual Benefit:** All collaborations will aim for mutual benefit, ensuring shared value between the private sector and the county's development goals.
- iii) **Inclusivity and Diversity:** The framework will support and encourage participation from diverse sectors and businesses, including small, medium, and large enterprises.
- iv) **Innovation and Sustainability:** Encouragement of innovative practices and sustainable initiatives to drive economic growth while preserving the environment and community welfare.
- v) **Compliance with Regulations:** Adherence to laws, policies, and regulations governing business operations within the county.
- vi) **Purpose-driven engagement:** Ensures that all engagements are goal-oriented, resulting in clear collective actions and measurable outcomes within a specified time frame.
- vii) **Intergovernmental collaboration:** Promotes effective coordination and cooperation across all levels of government, aligned with devolved functions and principles of intergovernmental collaboration.

## **CHAPTER THREE**

### **LEGAL AND INSTITUTIONAL FRAMEWORK**

#### **3.1 Legal basis**

This framework is impeded on various legal legislation including ;

##### **i. Constitution of Kenya 2010**

The Constitution establishes public participation as a fundamental governance principle laying a foundation for economic and business activities, guaranteeing the protection of property rights, contract enforcement, and promoting economic freedom. It emphasizes the importance of public-private partnerships in driving economic growth and development.

##### **ii. County Government Act 2012**

Provides the legal framework for county governance and encourages public-private partnerships and dialogue for sustainable development. It also recognizes public participation as part of the planning process,

##### **iii. Urban Areas and Cities Act, 2011:**

The Act mandates private sector participation in urban governance by nominating members to Urban boards and establishing citizen forums for resident engagement in urban affairs.

##### **iv. Public Finance Management Act, 2012:**

This requires public participation in county budget-making processes.

##### **v. Access to Information Act, 2016:**

It guarantees public access to information held by public entities including county governments. County assemblies have standing orders detailing procedures for public participation in legislative processes. Additionally, specific county policies further define methods for public engagement and private sector collaboration.

##### **vi. Public-Private Partnerships Act (2021)**

This legislation provides the legal framework for collaboration between the public and private sectors. It outlines procedures for initiating, implementing, and managing public-private partnerships, facilitating infrastructure development and service delivery.

##### **vii. Capital Markets Authority (CMA)**

Regulatory Bodies and Institutions such as the CMA regulate and oversee the capital markets, ensuring compliance and fostering investor confidence. Regulatory bodies like the Competition Authority and the Energy Regulatory Commission oversee various sectors, ensuring fair practices and consumer protection.

##### **viii. Companies Act (2015)**

This legislation regulates the establishment, operation, and governance of companies, providing guidelines for their formation, administration, and dissolution. It offers legal structures for business entities, including private companies, partnerships, and corporations, ensuring compliance and promoting accountability.

**ix. Labour Laws**

Employment laws, including the Employment Act and Labor Relations Act, regulate labor relations, minimum wage, working conditions, and dispute resolution, ensuring fair treatment and protection of the rights of employees and employers.

**x. Tax Laws and Incentives**

Taxation laws and policies offer various incentives and concessions to encourage investment, job creation, and business growth. These include tax breaks, investment deductions, and special economic zones to stimulate economic activities. The legal framework in Kenya provides a supportive environment for private sector engagement, emphasizing collaboration, fair competition, investment protection, and governance. Additionally, ongoing reforms and initiatives seek to continually enhance and improve the legal infrastructure, encouraging economic growth and development through private sector participation.

**Investment Promotion and Protection Agreements:** Kenya has signed various bilateral and multilateral agreements to encourage foreign investment. These agreements protect the rights of investors, including provisions for dispute resolution, creating a favorable investment climate.

**xi. Competition Act, 2010**

This law promotes and maintains fair competition, protecting consumers and ensuring a level playing field for businesses. It prohibits anti-competitive practices and regulates mergers and acquisitions to prevent monopolistic behavior.

**xii. Embu County Public Participation in Governance Act 2023**

Pursuant to section 3 of Embu County Public Participation in Governance Act 2023, the County Government is in conformity to enhance, promote and facilitate public participation in governance processes and in particular to give effect to the principles of public participation as provided for in Articles 1(2), 10(2), 33(1)(a), 35, 69(1)(d), 118, 174(c) and (d), 184(1)(c), 196, 201(a) and 232(1)(d) of the Kenyan Constitution 2010; promote democracy and participation of the people in accordance with Article 10 of the Constitution; promote transparency and accountability in decision making; enhance public awareness and understanding of governance processes; promote community ownership of public decisions; and promote public participation and collaboration in governance processes.

**xiii. Embu County Access to Information Act, 2015:**

The Act emphasizes on the right of access to information by citizens as provided for under Article 35 of the Constitution and section 96 of the County Governments Act.

**3.2. Departments, or Bodies Responsible for Implementation and Oversight**

The legal framework in Kenya provides a supportive environment for private sector engagement, emphasizing collaboration, fair competition, investment protection, and governance. Additionally, ongoing reforms and initiatives seek to continually enhance and improve the legal infrastructure, encouraging economic growth and development through private sector participation. The executive of the Embu County Government shall implement projects, programmes and activities aiming at achieving Private sector engagement while the County assembly is mandated to offer oversight

## **CHAPTER FOUR**

### **STRATEGIES FOR ENGAGEMENT**

#### **4.1 Introduction**

This framework undertakes specific **proactive approaches** to engagement that meet businesses where they are. Through these proactive approaches, the framework actively and intensively identifies and engages with businesses to understand and address their core challenges, ensure solutions that align with core business operations and contribute to the development of the County at large. The graphic below outlines the framework's proactive approach to engagement.

Engaging the private sector by a county government involves various strategies and approaches to foster collaboration, economic growth, and sustainable development. Here are several strategies for engaging the private sector:

##### **4.1.1 Public-Private Partnerships (PPPs)**

Facilitate partnerships between the county government and private entities. This can involve infrastructure development, service provision, and other joint projects. These partnerships often lead to better service delivery and economic growth.

##### **4.1.2 Policy and Regulatory Reforms**

Develop and implement policies that create an enabling environment for businesses. This can include simplifying procedures, reducing bureaucracy, and creating incentives for private investment.

##### **4.1.3 Consultative fora and Task Forces**

Establish platforms for dialogue and collaboration between the government, private sector representatives, and other stakeholders. This allows for shared decision-making and problem-solving.

##### **4.1.4 Capacity Building and Skill Development**

Support programs that focus on skill development and capacity building. This includes training and education initiatives to meet the needs of the local job market.

##### **4.1.5 Support for Entrepreneurships and SMEs**

Provide support to small and medium-sized enterprises (SMEs) by offering funding, technical assistance, and mentorship to foster innovation and growth.

##### **4.1.6 Promotion of Investments**

Actively promote the county as an attractive destination for investments. This includes marketing strategies, investment forums, and incentives for potential investors.

##### **4.1.7 Sector-Specific Partnerships**

Identify specific sectors that align with the county's strengths and development goals. Engage the private sector in these areas for targeted collaboration and growth.

##### **4.1.8 Technology and Innovation Hubs**

Develop hubs that promote innovation and technological advancements. Support tech start-ups and companies that can contribute to the county's development.

#### **4.1.9 Resource Mobilize and Fund Allocation**

Set up funds or mechanisms to attract financial resources from the private sector and channel them into local development projects.

#### **4.1.10 Community Engagement Programs**

Involve the local community in decision-making processes and project planning, ensuring that private sector engagement aligns with community needs and aspirations.

#### **4.1.11 Sustainability and Social Responsibility**

Encourage private sector actors to adopt sustainable practices and corporate social responsibility initiatives that benefit both the community and the environment.

#### **4.1.12 Performance Monitoring and Evaluation**

Regularly monitor and evaluate the effectiveness of private sector engagement initiatives, making adjustments based on the identified performance indicators.

#### **4.1.13 Tactical Approaches to Private Sector Engagement**

The Design and effective private sector engagement mechanism will involve a combination of approaches, policies, and strategies aimed at fostering collaboration between the private sector and the County Government as proposed here below:

### **4.2 Policy Framework and Reforms**

#### **4.2.1 Approach: Develop a comprehensive policy framework that encourages private sector participation by:**

- Simplifying bureaucratic procedures.
- Creating a business-friendly environment.
- Providing incentives for investment.

#### **Policies**

- **Regulatory Reforms:** Streamline licensing, permits, and compliance requirements.
- **Tax/ Levy Incentives:** Offer tax breaks or incentives to businesses that contribute to local development.
- **Transparent Regulations:** Ensure clear, fair, and consistent regulatory practices.
- **Public-Private Partnership Laws:** Establish legal frameworks that facilitate public-private collaborations.

#### **4.2.2 Public-Private Partnerships (PPPs)**

**Approach:** Facilitate partnerships between the county government and private entities to jointly undertake projects and services. The commonly adopted models of PPP are:

- i) Build-Operate-Transfer (BOT)
- ii) Build-Own-Operate (BOO)
- iii) Build-Operate-Lease-Transfer (BOLT)
- iv) Design-Build-Operate-Transfer (DBOT)
- v) Lease-Develop-Operate (LDO)
- vi) Operate-Maintain-Transfer (OMT)

#### **Policies:**

- **PPP Framework:** Develop guidelines and mechanisms for initiating and managing PPPs.
- **Project Identification:** Identify key sectors where PPPs can be implemented effectively.

- **Risk Sharing:** Define the roles, responsibilities, and risk-sharing mechanisms between public and private partners.

#### 4.2.3 Capacity Building and Support Programs

**Approach:** Provide support and resources to enhance the capabilities and competitiveness of local businesses.

**Policies:**

- **Training and Education:** Develop programs for skill development and education that match market needs.
- **Financial Support:** Offer grants, low-interest loans, or subsidies for SMEs and entrepreneurs.
- **Incubators and Innovation Centers:** Establish centers to foster innovation, providing infrastructure and guidance.

#### 4.2.4 Consultative Forums and Task Forces

**Approach:** Create platforms for regular dialogue and collaboration between the county government, private sector representatives, and stakeholders.

**Policies:**

- **Task Forces:** Establish committees or task forces dedicated to specific sectors or issues for collaborative problem-solving.
- **Regular Meetings:** Organize regular forums for discussions, feedback, and planning.
- **Public Communication and Transparency:** Develop policies that promote transparency and accountability.

#### 4.2.5 Resource Mobilization and Investment Promotion

**Approach:** Promote the county as an attractive investment destination and attract financial resources from the private sector.

**Policies:**

- **Investment Promotion Strategies:** Market the county's potential to investors through investment forums, roadshows, and marketing campaigns.
- **Fund Allocation:** Set up investment funds or mechanisms to pool private investments for local development projects.

#### 4.2.6 Technology and Innovation Hubs

**Approach:** Foster innovation by creating hubs that support technology and entrepreneurial growth.

**Policies:**

- **Incubation Support:** Provide spaces, infrastructure, and guidance for technology start-ups.
- **Research and Development Incentives:** Offer incentives for R&D activities and technological innovations.

#### 4.2.7 Sustainability and Community Engagement

**Approach:** Encourage private sector entities to adopt sustainable practices and involve the community in decision-making processes.

**Sustainability:** The very nature of the private sector, as local actors with a permanent market function, means that engaging them can enhance sustainability. As long as a private sector entity has the opportunity to achieve adequate profit or return on investment (ROI), it will be more likely to support and invest in an initiative beyond the County's involvement. ROI can include not only financial profit but also meeting organizational, social or environmental objectives.

**Policies:**

- **CSR Initiatives:** Encourage companies to engage in Corporate Social Responsibility activities that benefit the community and the environment.
- **Community Involvement:** Engage local communities in project planning and execution to ensure projects meet local needs.

**4.2.8 Environmental and Social Responsibility.**

**Approach**

Encourage private sector businesses to adopt environmentally friendly and socially responsible practices.

**Policies**

- Develop policies that set environmental standards, promote corporate social responsibility (CSR) programs and monitor compliance with sustainability goals.

**4.2.9 Performance Monitoring and Evaluation**

**Approach:** Regularly monitor and evaluate the performance of engagement initiatives for improvements and modifications.

**Policies:**

- **Performance Metrics:** Develop indicators to measure the success of private sector engagements.
- **Feedback Mechanisms:** Collect feedback from both the private sector and the community for continuous improvement.

The success of these mechanisms relies on their coherence, effective implementation, and continuous evaluation. Regular reviews and adjustments will ensure that the policies and approaches evolve to meet changing circumstances and demands.

## CHAPTER FIVE

### RISK MANAGEMENT AND CONFLICT RESOLUTION

#### 5.1 Introduction

Developing a private sector engagement framework involves mitigating risks, anticipating conflicts, and establishing robust management protocols to navigate potential challenges. Here is how to address these concerns within the framework:

#### 5.2 Risk Mitigation Mechanisms

**Table 5 Risk Mitigation Mechanisms**

<b>Risk</b>	<b>Mitigation Measures</b>
<b>Private Sector Database</b>	
<b>Unauthorized data access</b>	<ul style="list-style-type: none"> <li>• Implement robust data security measures</li> <li>• Ensure compliance with relevant data privacy laws</li> <li>• Regularly audit data access logs and security protocols.</li> </ul>
<b>Data privacy breaches</b>	<ul style="list-style-type: none"> <li>• Educate staff and businesses on data privacy protocols.</li> <li>• Limit access to sensitive data and implement tiered permission levels.</li> </ul>
<b>Technological and operational risks; Technological failures and operational inefficiencies undermine engagement</b>	<ul style="list-style-type: none"> <li>• Invest in reliable technology systems and establish regular maintenance schedules.</li> <li>• Provide staff with appropriate training and necessary operational equipment.</li> </ul>
<b>Private Sector Diagnostic</b>	
<b>Procurement delay</b>	<ul style="list-style-type: none"> <li>• Ensure engagement activities including the diagnostic exercise is in the urban annual plan and budget of the fiscal year when it is expected to take place.</li> </ul>
<b>Limited access to accurate and up-to-date data from businesses</b>	<ul style="list-style-type: none"> <li>• Conduct preliminary data mapping exercises to identify data sources and address data gaps.</li> <li>• Collaborate with business associations to ensure accurate data collection.</li> <li>• Leverage existing databases such as business licensing systems and tax registries to access updated data.</li> </ul>
<b>Low response rates or poor participation from businesses</b>	<ul style="list-style-type: none"> <li>• Partner with business associations and chambers of commerce to build trust and encourage participation.</li> <li>• Offer incentives such as showcasing the benefits of diagnostic findings.</li> <li>• Use multiple data collection methods to ensure broad participation.</li> </ul>
<b>Lack of skilled personnel to carry out the diagnostic</b>	<ul style="list-style-type: none"> <li>• Invest in staff training on conducting diagnostics, data analysis, and stakeholder engagement.</li> <li>• Outsource specific technical components from private sector experts if necessary.</li> </ul>
<b>High costs of conducting the diagnostic</b>	<ul style="list-style-type: none"> <li>• Explore partnerships with development agencies and the private sector to share costs.</li> <li>• Break down the diagnostic into phases to spread costs over multiple years if necessary.</li> </ul>
<b>Diagnostic results not integrated into policy and</b>	<ul style="list-style-type: none"> <li>• Ensure that diagnostic findings are linked to specific policy and planning timelines.</li> </ul>

<b>planning</b>	<ul style="list-style-type: none"> <li>• Establish clear pathways for incorporating diagnostic results into decision-making processes.</li> </ul>
<b>Public Private Dialogue Forums (PPDF)</b>	
<b>Poor engagement by the private sector: Long-standing mistrust due to previous transactional, predatory relationships, or political, cultural/social disputes</b>	<ul style="list-style-type: none"> <li>• Conduct targeted communication and outreach campaigns focused on the benefits of engagement.</li> <li>• Establish transparent and accessible two-way communication channels and feedback loops.</li> <li>• Set up oversight, monitoring, and accountability mechanisms to ensure responsiveness.</li> <li>• Publish key information and reports to foster transparency and build trust.</li> </ul>
<b>Conflicts of interest between the private sector and urban board; or among private sector actors, delaying consensus</b>	<ul style="list-style-type: none"> <li>• Enhance the facilitation, negotiation, and analytical capacity of urban officers to manage and resolve conflicts.</li> <li>• Conduct thorough analysis and assessments to inform dialogues.</li> <li>• Engage external facilitation experts if necessary to mediate and ensure smooth discussions.</li> </ul>
<b>Resource risks: Inadequate financial and human capacity to conduct activities</b>	<ul style="list-style-type: none"> <li>• Identify staffing needs and capacity gaps for the PPDF and include them in the urban board's staff establishment plan.</li> <li>• Assign qualified and relevant staff to manage engagement activities.</li> <li>• Plan for financial and human resource allocation for capacity building.</li> <li>• Ensure that PPDF activities are incorporated into the urban board's annual plan and budget.</li> <li>• Integrate priority interventions identified in the forums into the urban board's annual strategic plan and budget.</li> </ul>

## **CHAPTER SIX**

### **MONITORING, EVALUATION AND REPORTING**

#### **6.1 Introduction**

Monitoring and evaluation (M&E) is a process that involves collecting and analyzing data to measure progress toward achieving specific goals and objectives. This process helps organizations to identify what is working and what is not and to make informed decisions on how to improve their programs and projects.

The success of private sector engagement initiatives is contingent upon a structured Monitoring, Evaluation, and Reporting (MER) framework. This chapter delineates the methodology for assessing and reporting the effectiveness and impact of private sector engagements undertaken by the County Government.

##### **6.1.1 Purpose and Scope**

The framework is designed to systematically monitor, evaluate, and report the outcomes of private sector engagement initiatives. It encompasses all relevant activities aimed at collaborating with private sector entities for mutual development and growth.

##### **6.1.2. Background**

The County Government recognizes the vital role of the private sector in spurring economic growth and social development. As such, an effective MER framework is critical to ensure the success and impact of these collaborations.

#### **6.2 Monitoring**

Effective monitoring is the linchpin of understanding the progress of private sector engagement initiatives. It involves the continuous and systematic collection of data to track activities, achievements, and challenges. This includes:

##### **6.2.1 Data Collection Mechanisms:**

Establishing consistent methods for data collection to capture real-time information on project progress and potential issues.

##### **6.2.2 Frequency and Timelines:**

Determining the regularity and timelines for data collection and reporting to ensure up-to-date information.

##### **6.2.3 Roles and Responsibilities:**

Clearly defining roles and responsibilities for data collection and monitoring within the County Government and collaborating private sector entities.

#### **6.3 Evaluation**

Evaluating the impact of private sector engagements is crucial to understanding their effectiveness and identifying areas for improvement. This stage includes:

### **6.3.1 Evaluation Criteria:**

Defining the standards against which the success of engagement initiatives will be measured.

### **6.3.2 Data Analysis and Impact Assessment:**

Utilizing collected data to conduct a comprehensive impact assessment.

### **6.3.3 Tools and Methodologies:**

Selecting and implementing appropriate tools and methodologies to conduct evaluations (e.g., surveys, impact metrics).

## **6.4 Reporting Mechanisms**

Transparent and regular reporting is fundamental to maintaining a strong information flow between the County Government and private sector entities. This involves:

### **6.4.1 Reporting Structure:**

Outlining formats, recipients, and timelines for progress reports and evaluations. The progress reports shall be prepared half yearly as per the format outlined in Table 7. These reports shall be forwarded to the County Executive Committee for onward submission to the County Assembly.

### **6.4.2 Audience:**

Identifying the stakeholders within both the County Government and private sector entities who will receive the reports.

### **6.4.3 Transparency and Accuracy:**

Ensuring the reports are transparent, accurate, and comprehensive in reflecting progress and challenges.

## **6.5 Feedback Loops for Improvement**

To foster continuous improvement, feedback loops are established to enable seamless communication and the integration of lessons learned. This includes:

### **6.5.1 Feedback Mechanisms:**

Implementing channels for gathering feedback from both the County Government and private sector participants.

### **6.5.2 Feedback Integration:**

Describing how feedback will be incorporated into decision-making processes to improve future engagements.

### **6.5.3 Continuous Improvement:**

Emphasizing the significance of utilizing feedback to enhance future initiatives.

## **6.6 Conclusion**

This MER framework outlines the critical components for monitoring, evaluating, reporting, and improving private sector engagement initiatives. The seamless flow of information, transparency, and adaptability are pivotal to ensuring the success and sustainability of such collaborations.

## **6.7 Review of the Framework**

The CPSEF shall be reviewed after every five years from the date of its adoption or anytime in response to the needs and demands of the people of Embu County.

## 6.7 Monitoring and Evaluation Matrix

**Table 6: Monitoring and Evaluation Matrix**

<b>STRATEGY</b>	<b>ACTIVITY</b>	<b>KEY PERFORMANCE INDICATORS</b>	<b>COST (KES)</b>
<b>Business enterprises Data</b>	Hiring & training of enumerators and collection of data	Business enterprise Data	4,000,000
<b>Public-Private Partnerships (PPPs)</b>	Facilitate partnerships between the county government and private entities.	Number of PPPs	700,000
<b>Policy and Regulatory Reforms</b>	Develop and implement policies that create an enabling environment for businesses.	Number of Policies developed	15,000,000
<b>PPDF and Task Forces</b>	Establish platforms for dialogue and collaboration between the government, private sector representatives, and other stakeholders.	Number of Consultation fora conducted	2,100,000
<b>Capacity Building and Skill Development</b>	Support programs that focus on skill development and capacity building.	Number of people trained	10,000,000
<b>Support for Entrepreneurships and SMEs</b>	Provide support to small and medium-sized enterprises (SMEs)	Number of SMEs supported	50,000,000
<b>Promotion of Investments</b>	Actively promote the county as an attractive destination for investments.	Number of investment promotion fora conducted	10,000,000
<b>Sector-Specific Partnerships</b>	Identify specific sectors that align with the county's strengths and development goals.	Number of sectors identified and signed up	10,000,000
<b>Technology and Innovation Hubs</b>	Develop hubs that promote innovation and technological advancements.	Number of hubs developed and start-ups supported	20,000,000
<b>Resource Mobilization</b>	Set up funds or mechanisms to attract financial resources from the private sector and channel them into local development projects.	Resource Mobilized	To Be Determined

<b>Community Engagement Programs</b>	Involve the local community in decision-making processes and project planning.	Number of programs developed number of People engaged	4,000,000 500 People
<b>Sustainability and Social Responsibility</b>	Encourage private sector actors to adopt sustainable practices and corporate social responsibility initiatives.	Number of CSR initiatives conducted	2,800,000
<b>Performance Monitoring and Evaluation</b>	Regularly monitor and evaluate the effectiveness of private sector engagement initiatives.	Number of reports generated	3,000,000
<b>Approval by the cabinet and submission to the County Assembly</b>	Approval of the Private Sector Framework and Developed policies	Number of Documents approved	7,000,000
<b>Total</b>			<b>138,600,000</b>

APPENDICES

APPENDIX I

**Table 7 Sample Reporting Framework**

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