

BOMET MUNICIPALITY

Private Sector Engagement Framework (PSEF) Toolkit

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Prepared by:

Bomet Municipality Urban Board

In collaboration with the **County Government of Bomet,**

Preface

This customized toolkit has been prepared to guide Bomet Municipality in adopting, operationalizing, and institutionalizing a Private Sector Engagement Framework (PSEF) under the Kenya Urban Support Program II (KUSP II). It is designed to ensure that Bomet Municipality meets the minimum conditions and performance standards under Result Area Four (RA4) of the Urban Development Grant (UDG), thereby enabling access to program grants and strengthening inclusive, resilient, and competitive urban growth.

The toolkit contextualizes national guidance into actionable steps for Bomet Municipality, recognizing its unique socio-economic profile, institutional structures, and development priorities. It provides a structured approach for engaging the private sector in urban planning and development, ensuring that businesses, associations, and informal actors are integrated into decision-making processes.

Acknowledgements

This toolkit is the product of collaborative efforts between the County Government of Bomet, the Bomet Municipality Urban Board, and representative private sector stakeholders. A model provided by a consultant engaged by the State Department for Housing and Urban Development (SDHUD) and local MSME associations in Bomet have been invaluable in shaping this framework.

Purpose of the Toolkit

The purpose of this toolkit is to provide Bomet Municipality with a practical, locally adapted framework for private sector engagement. It outlines the institutional arrangements, processes, and tools required to:

- Establish and maintain a **private sector database** for Bomet Municipality.
- Conduct a **private sector diagnostic** to assess the local business environment.
- Set up and operationalize **Public-Private Dialogue Forums (PPDFs)** to institutionalize structured engagement.

Through these components, the toolkit seeks to enhance the contribution of the private sector to urban planning, service delivery, and economic development in Bomet Municipality.

Guiding Principles

The customization of this toolkit for Bomet Municipality is anchored on the following principles:

- **Inclusivity:** Ensuring participation of MSMEs, youth, women, and marginalized groups alongside formal business actors.
- **Transparency:** Establishing clear processes for data management, dialogue, and decision-making.
- **Local relevance:** Adapting national frameworks to reflect the socio-economic realities of Bomet Municipality.
- **Sustainability:** Embedding private sector engagement mechanisms into municipal governance structures for continuity.
- **Accountability:** Aligning engagement processes with performance frameworks under KUSP II and the Urban Areas and Cities Act (UACA).

Structure of the Toolkit

The toolkit is organized into continuous prose chapters that guide Bomet Municipality through the sequential steps of adopting and operationalizing the PSEF. It begins with the establishment of a private sector database, proceeds to the diagnostic process, and culminates in the institutionalization of Public-Private Dialogue Forums. Each chapter provides contextual guidance, roles and responsibilities, and suggested steps tailored to the operational realities of Bomet Municipality.

Foreword

The County Government of Bomet recognizes that the private sector is a critical partner in driving urban transformation, competitiveness, and resilience. As Bomet Municipality continues to grow, the need for structured engagement with businesses, associations, and informal actors has become increasingly urgent. This toolkit provides a practical framework for institutionalizing private sector engagement, ensuring that urban planning and development processes are inclusive, evidence-based, and responsive to the needs of all stakeholders.

The Kenya Urban Support Program II (KUSP II) has provided counties with an opportunity to strengthen governance structures and access performance-based grants. For Bomet Municipality, the adoption and operationalization of the Private Sector Engagement Framework (PSEF) is not only a minimum condition under Result Area Four (RA4) but also a strategic pathway to embed sustainable partnerships between the public and private sectors.

This toolkit is therefore both a compliance instrument and a development tool. It is designed to guide the Municipality in establishing a private sector database, conducting diagnostics of the local business environment, and institutionalizing Public-Private Dialogue Forums (PPDFs). These mechanisms will ensure that Bomet Municipality remains competitive, inclusive, and resilient in the face of rapid urbanization and economic change.

Executive Summary

The Bomet Municipality Private Sector Engagement Framework (PSEF) Toolkit is designed to provide a structured, locally adapted approach to strengthening collaboration between the public and private sectors. It aligns with the Kenya Urban Support Program II (KUSP II) requirements under Result Area Four (RA4), ensuring that Bomet Municipality meets the minimum conditions for accessing Urban Development Grants (UDG). Beyond compliance, the toolkit positions the Municipality to harness the full potential of the private sector in driving inclusive, resilient, and competitive urban growth.

The toolkit is organized around three core components:

1. **Private Sector Database** – Establishing a comprehensive and disaggregated database of businesses operating within Bomet Municipality, drawing from existing county licensing systems and supplemented with locally gathered data.
2. **Private Sector Diagnostic** – Conducting analytical exercises to assess the local business environment, identify constraints and opportunities, and define interventions across four policy levers: institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance.
3. **Public-Private Dialogue Forums (PPDFs)** – Institutionalizing structured platforms for dialogue between the Municipality, private sector actors, and other stakeholders to co-create solutions, prioritize interventions, and monitor progress.

Key Highlights

- **Institutionalization of Private Sector Engagement:**
The toolkit provides a step-by-step guide for Bomet Municipality to adopt and operationalize the PSEF through the Urban Board, ensuring that engagement is embedded within governance structures rather than treated as ad hoc consultations.
- **Private Sector Database:**
A comprehensive database of businesses operating within Bomet Municipality will be established, drawing from existing county licensing systems and supplemented with locally gathered data. This database will serve as the foundation for evidence-based planning, clustering of businesses by sector, and targeted interventions.
- **Private Sector Diagnostic:**
The toolkit outlines a structured diagnostic process to assess the local business environment, identify constraints, and define interventions across four policy levers: institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance. This diagnostic will provide actionable insights for policy and investment prioritization.
- **Public-Private Dialogue Forums (PPDFs):**
The toolkit emphasizes the establishment of structured dialogue platforms where the Municipality, private sector actors, and other stakeholders can co-create solutions,

prioritize interventions, and monitor progress. These forums will institutionalize trust, transparency, and accountability in urban governance.

- **Capacity Building and Outreach:**

The toolkit includes templates and guidance for training municipal staff, building the capacity of the Urban Board, and conducting outreach to ensure inclusivity. Special emphasis is placed on integrating MSMEs, youth, women, and marginalized groups into the engagement process.

- **Alignment with Legal and Policy Frameworks:**

The toolkit ensures compliance with the Urban Areas and Cities Act (UACA), the Access to Information Act, the Data Protection Act, and other relevant legislation, thereby embedding private sector engagement within Kenya's broader governance architecture.

Expected Outcomes

By adopting and operationalizing this toolkit, Bomet Municipality is expected to achieve the following outcomes:

1. **Enhanced Urban Competitiveness:**

A structured engagement framework will enable the Municipality to attract investment, foster innovation, and create a conducive environment for business growth.

2. **Inclusive Urban Development:**

MSMEs, informal businesses, and marginalized groups will be integrated into planning and decision-making processes, ensuring that urban growth benefits all residents.

3. **Evidence-Based Planning:**

The private sector database and diagnostic processes will provide reliable data and insights, enabling the Municipality to design policies and interventions that respond to actual business needs and opportunities.

4. **Strengthened Governance Structures:**

The institutionalization of PPDFs will embed accountability, transparency, and collaboration into municipal governance, reducing conflict and enhancing trust between stakeholders.

5. **Improved Service Delivery and Infrastructure Planning:**

Insights from diagnostics and dialogue forums will inform investment prioritization, leading to better-targeted infrastructure development and service delivery.

6. **Sustainable Partnerships:**

By embedding private sector engagement into municipal structures, the toolkit ensures continuity and sustainability of partnerships beyond the KUSP II program cycle.

7. **Compliance with KUSP II Performance Standards:**

Adoption of the toolkit will enable Bomet Municipality to meet the minimum conditions under RA4, thereby securing access to UDG resources and strengthening its financial capacity for urban development.

Legal Basis

The adoption and operationalization of the Private Sector Engagement Framework (PSEF) in Bomet Municipality is anchored in Kenya's legal and policy framework for urban governance and development. The following instruments provide the legal foundation:

- **Urban Areas and Cities Act (UACA), 2011 (Revised 2019):** Establishes Urban Boards as governance structures for municipalities and mandates them to promote participatory and inclusive urban management.
- **Kenya Urban Support Program II (KUSP II):** Provides performance-based grants to counties and municipalities, with Result Area Four (RA4) requiring the establishment of structured private sector engagement mechanisms.
- **Access to Information Act, 2016 and Data Protection Act, 2019:** Provide the legal framework for transparency, accountability, and responsible management of private sector data collected and maintained by municipalities.
- **Micro and Small Enterprises Act, 2012:** Defines MSME categories and provides guidance on their integration into economic planning and development.
- **National Urban Development Policy (NUDP):** Emphasizes the role of the private sector in promoting competitive, resilient, and inclusive urban growth.
- **County Governments Act, 2012:** Mandates counties to promote citizen participation and stakeholder engagement in governance, including the private sector.

Together, these instruments empower Bomet Municipality to adopt and operationalize the PSEF as a legally compliant, development-oriented framework that strengthens public-private collaboration in urban planning and development.

Chapter One: Adoption of the Private Sector Engagement Framework in Bomet Municipality

The adoption of the Private Sector Engagement Framework (PSEF) in Bomet Municipality marks a decisive step towards embedding structured, inclusive, and sustainable collaboration between the public and private sectors. This chapter sets out the institutional arrangements, roles, responsibilities, and processes through which Bomet Municipality will contextualize and operationalize the national model framework under the Kenya Urban Support Program II (KUSP II).

Institutional Context

Bomet Municipality operates under the County Government of Bomet, with the Urban Board serving as the primary governance structure mandated by the Urban Areas and Cities Act (UACA). The Urban Board is responsible for ensuring participatory and inclusive urban management, and the adoption of the PSEF provides a mechanism for integrating private sector actors into planning, budgeting, and performance management processes.

The County Executive Committee Member (CECM) responsible for Urban Development and Trade will champion the adoption of the PSEF, ensuring alignment with county policies, strategies, and legislative frameworks. The County Project Coordination Team (CPCT) will provide technical and managerial support, while the Urban Manager will oversee day-to-day implementation.

Adoption Process

The adoption of the PSEF in Bomet Municipality will follow a structured process, ensuring that institutional ownership, resource allocation, and stakeholder participation are embedded from the outset.

- 1. Review and Contextualization of the Model Framework:**

The County Executive will review the national model PSEF prepared by the Urban Development Department (UDD) and endorsed by the Council of Governors. This review will ensure that the framework is adapted to the socio-economic realities of Bomet Municipality, including its agricultural base, emerging service sector, and growing MSME ecosystem.

- 2. Institutional Alignment:**

The framework will be aligned with existing county structures for public participation, particularly the urban citizen fora, and integrated into the Municipality's policy, legislative, planning, and budgeting processes. This alignment will ensure coherence between private sector engagement and broader governance mechanisms.

3. **Formal Adoption:**
The CECM responsible will table the PSEF for adoption by the County Executive Committee at a cabinet meeting. Upon adoption, the framework will become an official instrument guiding private sector engagement in Bomet Municipality.
4. **Resource Commitment:**
Following adoption, the County Government will commit departmental support and budgetary resources to operationalize the framework. This will include the allocation of Urban Institutional Grant (UIG) resources for capacity building, database development, diagnostics, and dialogue forums.
5. **Urban Board Resolution:**
The Urban Board will pass a resolution adopting the PSEF and delegating responsibility to the Urban Manager for implementation. The Board will monitor progress against performance targets and ensure accountability through its committees.
6. **Operationalization:**
The Urban Manager will prepare a work plan and budget with clear performance indicators, delegate tasks to staff, and report regularly to the Urban Board. The CPCT will provide technical support, while county departments will ensure data sharing, ICT support, and integration with planning processes.

Table 1.1 – Institutional Roles and Responsibilities

Institution/Actor	Key Responsibilities
County Government of Bomet	Policy leadership, review and contextualization of national PSEF, formal adoption, resource allocation
CECM (Urban Development/Trade)	Champion adoption, table framework for cabinet approval, ensure alignment with county policies
CPCT	Coordinate departments, prepare work plans and budgets, provide technical support
Urban Board	Pass resolution adopting PSEF, delegate implementation to Urban Manager, monitor progress
Urban Manager	Prepare work plan and budget, oversee implementation, delegate tasks, report to Urban Board
Private Sector Actors	Participate in consultations, provide data and insights, engage in dialogue forums

Performance Framework and Timelines

Under KUSP II, the adoption of the PSEF is a minimum condition assessed during the annual performance appraisal in year two and three. Bomet Municipality will be required to demonstrate that the framework has been formally adopted, institutionalized, and operationalized, with evidence of resource allocation, stakeholder engagement, and measurable outputs.

Table 1.2 – Adoption Process Timeline

• Step	Year One Activities	Year Two Activities	Year Three Activities
Review & Contextualization	Adapt national model to Bomet’s context	—	—
Institutional Alignment	Integrate into county structures	—	—
Formal Adoption	Cabinet approval and Urban Board resolution	—	—
Resource Commitment	Budget allocation and UIG support	—	—
Operationalization	Initial work plan and delegation	Database establishment, PPDF initiation	Diagnostic completion, integration into IDEP

Strategic Significance

The adoption of the PSEF in Bomet Municipality is not merely a compliance exercise under KUSP II. It represents a strategic commitment to embed private sector engagement into the Municipality’s governance structures, ensuring that businesses, associations, and informal actors are recognized as partners in urban development. By institutionalizing this framework, Bomet Municipality will strengthen its competitiveness, foster inclusive growth, and build resilience against economic and social shocks.

Chapter Two: Establishment of the Private Sector Database in Bomet Municipality

The establishment of a private sector database is a foundational step in operationalizing the Private Sector Engagement Framework (PSEF) in Bomet Municipality. A well-structured database provides the Urban Board with reliable information on the businesses operating within its jurisdiction, enabling evidence-based planning, targeted interventions, and inclusive engagement. This chapter outlines the rationale, institutional arrangements, and processes for setting up and managing the database in Bomet Municipality.

Rationale

Effective engagement with the private sector requires accurate and up-to-date information on the profile, scale, and activities of businesses within the Municipality. The database will serve multiple purposes:

- **Mapping economic activity:** Identifying clusters of businesses by sector, size, and geographic location.
- **Supporting diagnostics:** Providing baseline data for private sector diagnostics and local economy assessments.
- **Facilitating dialogue:** Enabling the Urban Board to identify and engage representative business actors in Public-Private Dialogue Forums (PPDFs).
- **Enhancing transparency:** Making business information accessible to the public in line with the Access to Information Act, 2016 and the Data Protection Act, 2019.
- **Strengthening planning:** Informing the preparation of Integrated Development Plans (IDEPs), urban policies, and investment prioritization.

Institutional Arrangements

The establishment and management of the private sector database in Bomet Municipality will involve coordinated roles across county and municipal institutions:

- **County Departments (Planning, Trade, ICT, Revenue):** Provide access to existing business and trade licensing registers, establish data-sharing protocols, and offer ICT/database management support.
- **County Project Coordination Team (CPCT):** Coordinate county departments, ensure technical support, and oversee integration of the database into county systems.
- **Urban Board:** Delegate responsibility for database establishment, allocate resources in its strategic plan and annual budget, and monitor implementation.
- **Urban Manager:** Hold delegated responsibility for planning, setting up, managing, and using the database to inform engagement and planning.
- **Database Manager/Analyst:** Ensure data accuracy, completeness, and reliability through validation checks, verification procedures, and quality assurance protocols.

- **Table 2.1 – Minimum Data Fields**

Category	Sample Fields
Identification	Business name, KeSIC code, license number
Contact Information	Contact person, phone, email, physical address, geo-location
Location	Municipality, sub-county, ward
Business Profile	Industry/sector, business activity, ownership type
Scale and Size	Number of employees, turnover, assets
Associations	Membership in KNCCI, KEPISA, KAM, MSME associations, cooperatives
Accreditation	Formal/informal status
Engagement	Participation in PPDFs

Suggested Steps for Establishment

1. **Database Fields and Integration:**

The ICT department will incorporate additional fields into the Single Business Permit (SBP) application form to capture disaggregated data at the municipal level.

2. **Data Sharing Protocols:**

County departments will establish protocols for filtering and sharing data from the SBP portal, ensuring regular updates and access for the Urban Board.

3. **Database Creation and Management:**

The Urban Board will maintain the data using suitable software such as Excel or more advanced systems with geo-mapping features, depending on available resources.

4. **Registers of Associations and Dialogue Partners:**

The Urban Board will maintain registers of accredited business associations, informal groups, professional associations, and other stakeholders relevant to dialogue processes.

5. **Capacity Building:**

The Urban Manager and database staff will be trained in data management, analysis, and reporting. The county ICT department will provide technical backstopping.

6. **Public Access:**

Procedures will be established to make the data publicly accessible in compliance with the Access to Information Act, 2016 and the Data Protection Act, 2019.

7. **Annual Verification:**

From year two onwards, the Urban Board will be required to demonstrate that the database is updated annually, with businesses clustered by economic activity and verified for accuracy.

Performance Framework and Timelines

Under KUSP II, the establishment of the private sector database is a performance standard assessed during the annual appraisal in year two and three. For Bomet Municipality, the timeline will be as follows:

- **Year One:** Development of data-sharing protocols, incorporation of additional fields into SBP forms, and initial database setup.
- **Year Two:** Operationalization of the database, training of staff, and public disclosure of data.
- **Year Three:** Annual verification, clustering of businesses by sector, and integration of database outputs into diagnostics and planning processes.

Strategic Significance

The private sector database will transform the way Bomet Municipality engages with businesses. By providing a reliable evidence base, it will enable the Municipality to design targeted interventions, foster inclusivity, and strengthen accountability. It will also serve as a critical input into the private sector diagnostic and dialogue forums, ensuring that engagement is grounded in accurate and comprehensive data.

Chapter Three: Private Sector Diagnostic in Bomet Municipality

The private sector diagnostic is a critical analytical exercise that enables Bomet Municipality to understand the dynamics of its local economy, identify constraints to competitiveness, and define interventions that foster inclusive and resilient growth. It provides the evidence base for structured engagement with businesses and informs the prioritization of policies, investments, and partnerships.

Purpose of the Diagnostic

The diagnostic seeks to build a contextual understanding of the business environment in Bomet Municipality. It will:

- Assess the strengths and weaknesses of local businesses and the enabling environment.
- Identify opportunities for growth and innovation across key sectors.
- Highlight barriers to competitiveness, including regulatory, infrastructural, financial, and skills-related challenges.
- Provide actionable recommendations to guide municipal planning, policy formulation, and investment prioritization.
- Serve as a foundation for dialogue between the Urban Board, private sector actors, and other stakeholders.

Analytical Framework

The diagnostic will be structured around four policy levers, adapted from the World Bank Toolkit.

- 1. Institutions and Regulations:**
 - Evaluate efficiency and transparency of regulatory processes, including licensing and permitting.
 - Assess effectiveness of urban institutions in facilitating business operations.
 - Review enforcement of property rights and contract mechanisms.
- 2. Infrastructure and Land:**
 - Assess availability and quality of infrastructure and services (roads, utilities, markets, digital connectivity).
 - Evaluate land use policies and zoning regulations in relation to business growth.
 - Identify infrastructure gaps and prioritize investments to improve connectivity and access to markets.
- 3. Skills and Innovation:**
 - Identify skills gaps and mismatches in the labor market.

- Assess availability and quality of vocational training and education programs.
- Evaluate levels of innovation and entrepreneurship, and support for research and development.

4. Enterprise Support and Finance:

- Analyze availability of financial services (banking, microfinance, venture capital).
- Review existing enterprise support programs and business development services.
- Identify barriers to access to finance and explore innovative financing mechanisms for MSMEs.

Section	Content Description
Executive Summary	Key findings and recommendations
Introduction	Objectives and scope of the diagnostic
Methodology	Tools used, stakeholders consulted, data sources
Findings	Organized by policy levers: institutions/regulations, infrastructure/land, skills/innovation, enterprise support/finance
Sector Analysis	Agriculture, trade, services
SWOT Analysis	Strengths, weaknesses, opportunities, threats
Recommendations	Proposed interventions and partnerships
Annexes	Survey tools, stakeholder lists, data tables

Strategic Significance

The private sector diagnostic will provide Bomet Municipality with a clear picture of its economic landscape, enabling targeted interventions that foster competitiveness and resilience. It will strengthen trust between the Municipality and private sector actors, ensure inclusivity in planning, and position Bomet as a hub for sustainable urban growth. By grounding engagement in evidence, the diagnostic will transform dialogue into actionable outcomes, ensuring that urban development is both responsive and forward-looking.

Chapter Three: Sector-Specific Priorities for Bomet Municipality

While the private sector diagnostic provides a broad analytical framework, its effectiveness depends on tailoring interventions to the specific economic profile of Bomet Municipality. The Municipality's economy is characterized by a strong agricultural base, a growing trade sector, and emerging service industries. Each of these sectors presents unique opportunities and challenges that must be addressed to foster competitiveness, inclusivity, and resilience.

Agriculture

Agriculture remains the backbone of Bomet's economy, with tea, dairy, maize, and horticulture forming the dominant value chains. The sector is largely driven by smallholder farmers, cooperatives, and agro-processing enterprises.

Key priorities include:

- **Value addition and agro-processing:** Encouraging investment in tea factories, milk cooling plants, and maize milling facilities to increase local value capture.
- **Market access and linkages:** Strengthening connections between farmers and regional/national markets, including Nairobi and Kisumu, through improved logistics and aggregation centers.
- **Infrastructure support:** Enhancing rural feeder roads, irrigation systems, and storage facilities to reduce post-harvest losses and improve productivity.
- **Skills and innovation:** Promoting agricultural extension services, digital platforms for market information, and training in climate-smart agriculture.
- **Enterprise support and finance:** Expanding access to affordable credit for smallholder farmers and cooperatives, including microfinance tailored to seasonal cycles.

Trade

Trade in Bomet Municipality is vibrant, driven by retail markets, wholesale distribution, and cross-county commerce. Informal traders, small shops, and larger wholesale businesses form the backbone of this sector.

Key priorities include:

- **Market infrastructure:** Upgrading municipal markets with modern stalls, sanitation facilities, and digital payment systems to enhance efficiency and inclusivity.
- **Regulatory simplification:** Streamlining licensing processes under the Single Business Permit (SBP) system to reduce barriers for small traders.
- **Business clustering:** Identifying and supporting clusters of traders in key commodities such as agricultural produce, textiles, and household goods.

- **Capacity building:** Training traders in financial literacy, digital commerce, and compliance with tax and regulatory requirements.
- **Public-private dialogue:** Ensuring that trader associations and informal groups are represented in PPDFs to voice their concerns and co-create solutions.

Services

The service sector in Bomet is emerging, with growth in education, health, hospitality, transport, and financial services. While still modest compared to agriculture and trade, services are increasingly important for urban competitiveness and job creation.

Table 3.1 – Policy Levers and Sector Priorities

Policy Lever	Agriculture Priorities	Trade Priorities	Services Priorities
Institutions & Regulations	Strengthen cooperatives, streamline licensing	Simplify SBP processes, formalize trader groups	Accreditation of training institutions, regulation of health providers
Infrastructure & Land	Feeder roads, irrigation, storage facilities	Modernize markets, improve logistics	Expand transport systems, ICT connectivity
Skills & Innovation	Climate-smart training, digital platforms	Financial literacy, digital commerce	Vocational training in ICT, hospitality
Enterprise Support & Finance	Affordable credit for farmers, cooperative financing	Microfinance for traders, business clustering	Access to banking, microfinance, incubation hubs

Cross-Cutting Priorities

Across all sectors, several cross-cutting priorities emerge:

- **Digital transformation:** Promoting ICT adoption in agriculture, trade, and services to enhance efficiency, transparency, and market access.
- **Youth and women empowerment:** Ensuring that youth and women-led enterprises are integrated into diagnostics and supported through tailored interventions.
- **Environmental sustainability:** Embedding climate resilience into agricultural practices, market infrastructure, and service delivery.
- **Partnerships:** Strengthening collaboration between the Municipality, private sector associations, cooperatives, and development partners to leverage resources and expertise.

Strategic Significance

By focusing on agriculture, trade, and services, the private sector diagnostic in Bomet Municipality will generate sector-specific insights that guide targeted interventions. Agriculture will remain the anchor of the economy, but trade and services will provide diversification and resilience. Together, these sectors will shape Bomet's trajectory towards becoming a competitive, inclusive, and sustainable urban center.

Synthesis: Integrating Sector Priorities into the Diagnostic Report and Action Plan

The sector-specific priorities identified for agriculture, trade, and services in Bomet Municipality will form the backbone of the private sector diagnostic report and its accompanying action plan. By grounding the diagnostic in these locally relevant sectors, the Municipality ensures that the analysis is not abstract but directly responsive to the realities of its economy and the aspirations of its stakeholders.

The diagnostic report will synthesize findings across the four policy levers—institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance—while weaving in sector-specific insights. For agriculture, the report will highlight interventions in value addition, market linkages, and climate-smart practices. For trade, it will emphasize regulatory simplification, market infrastructure upgrades, and clustering of traders. For services, it will focus on vocational training, hospitality development, and expansion of financial and health services.

These sectoral insights will be translated into a structured action plan that assigns roles and responsibilities to the Urban Board, county departments, private sector associations, and development partners. The action plan will prioritize interventions that are feasible within the Municipality's resource envelope, while also identifying opportunities for partnerships and external support.

The synthesis will ensure that:

- **Evidence-based planning** is achieved by linking sector priorities to data collected during the diagnostic.
- **Inclusivity** is embedded by ensuring MSMEs, youth, women, and informal actors are represented in sector-specific interventions.
- **Strategic alignment** is maintained by integrating sector priorities into the Integrated Development Plan (IDEP) and municipal policies.
- **Performance monitoring** is facilitated through clear indicators tied to sectoral outcomes, such as increased market access for farmers, improved licensing efficiency for traders, and expanded vocational training for youth.

Ultimately, the diagnostic report and action plan will serve as a roadmap for Bomet Municipality to harness its agricultural strengths, expand its trade networks, and nurture its emerging service sector. By doing so, the Municipality will position itself as a competitive and resilient urban center, capable of sustaining inclusive growth and meeting the performance standards under KUSP II.

Chapter Four: Establishment of Public-Private Dialogue Forums (PPDFs) in Bomet Municipality

The establishment of Public-Private Dialogue Forums (PPDFs) in Bomet Municipality represents the institutionalization of structured engagement between the Urban Board, private sector actors, and other stakeholders. These forums provide a platform for dialogue, collaboration, and co-creation of solutions to urban development challenges. They are essential for building trust, fostering inclusivity, and ensuring that private sector perspectives are integrated into municipal planning and decision-making.

Purpose of the PPDFs

The PPDFs are designed to:

- **Institutionalize dialogue:** Create a formal mechanism for continuous engagement between the Municipality and the private sector.
- **Enhance transparency:** Ensure that decisions on urban planning and investment are informed by diverse stakeholder perspectives.
- **Foster inclusivity:** Integrate MSMEs, informal businesses, youth, women, and marginalized groups into structured dialogue processes.
- **Support competitiveness:** Identify and prioritize interventions that improve the local business environment and attract investment.
- **Strengthen accountability:** Provide a platform for monitoring progress on agreed interventions and holding institutions accountable.

Table 4.1 – PPDF Structure

1. Component	Description
Resolution	Urban Board passes resolution establishing PPDF
Secretariat	Urban Manager-led, supported by municipal staff
Membership	Formal associations, MSMEs, informal traders, cooperatives, residents' groups

1. Component	Description
Terms of Reference	Objectives, roles, responsibilities, operating procedures
Dialogue Platforms	Regular meetings, workshops, thematic consultations
Action Planning	Documentation of agreed interventions with responsibilities and timelines
Monitoring	Reports prepared by Secretariat, reviewed by Urban Board

Strategic Significance

The PPDFs will transform engagement in Bomet Municipality from ad hoc consultations to structured, institutionalized dialogue. They will provide a platform for co-creation of solutions, foster inclusivity, and strengthen accountability. By embedding dialogue into municipal governance, Bomet Municipality will ensure that private sector perspectives are consistently integrated into planning and decision-making. This will enhance competitiveness, attract investment, and build resilience, positioning Bomet as a model for inclusive urban governance.

Chapter Five: Development of the Public-Private Dialogue Forum (PPDF) Action Plan for Bomet Municipality

The Public-Private Dialogue Forum (PPDF) Action Plan is the operational backbone of structured engagement between Bomet Municipality and its private sector stakeholders. While the PPDF provides the platform for dialogue, the Action Plan translates discussions into concrete commitments, interventions, and measurable outcomes. It ensures that dialogue is not an end in itself but a means to co-create solutions that strengthen competitiveness, inclusivity, and resilience in the Municipality.

Purpose of the Action Plan

The Action Plan serves to:

- **Consolidate dialogue outputs:** Capture the priorities, agreements, and recommendations emerging from PPDF sessions.
- **Define interventions:** Translate identified challenges and opportunities into actionable steps across key sectors.
- **Assign responsibilities:** Clarify the roles of the Urban Board, County Government, private sector actors, and other stakeholders.
- **Allocate resources:** Identify financial, technical, and human resources required for implementation.
- **Establish timelines:** Sequence interventions to align with municipal planning cycles and KUSP II performance frameworks.
- **Enable monitoring:** Provide indicators and mechanisms for tracking progress and evaluating outcomes.

Structure of the Action Plan

The Action Plan for Bomet Municipality will be organized into the following components:

1. **Introduction and Context:**
 - Brief overview of the PPDF process and its strategic significance.
 - Summary of sector-specific priorities identified during the private sector diagnostic.
2. **Objectives:**

- Clear articulation of the goals of the Action Plan, such as improving the business environment, fostering inclusivity, and enhancing competitiveness.
- 3. **Priority Interventions:**
 - Sector-specific interventions in agriculture, trade, and services.
 - Cross-cutting interventions in infrastructure, skills development, innovation, and enterprise support.
- 4. **Roles and Responsibilities:**
 - Allocation of tasks to the Urban Board, Urban Manager, County departments, private sector associations, and civil society.
- 5. **Resource Requirements:**
 - Identification of funding sources, including UIG allocations, county budgets, and private sector contributions.
 - Technical assistance needs and potential partnerships.
- 6. **Timelines:**
 - Sequencing of interventions over short-term (Year Two), medium-term (Year Three), and long-term horizons.
- 7. **Monitoring and Evaluation Framework:**
 - Indicators for measuring progress, such as number of businesses engaged, infrastructure projects completed, training sessions conducted, and improvements in licensing efficiency.
 - Mechanisms for reporting and accountability, including periodic reviews by the Urban Board and public disclosure of progress.

Suggested Steps for Development

1. **Consolidation of Dialogue Outputs:**
The Secretariat will compile notes and recommendations from PPDF sessions, organizing them by sector and thematic area.
2. **Drafting of Action Plan:**
Using the toolkit templates, the Secretariat will prepare a draft Action Plan, ensuring alignment with municipal policies and KUSP II requirements.
3. **Validation Workshop:**
A workshop will be convened with stakeholders to review and validate the draft Action Plan, ensuring inclusivity and consensus.
4. **Formal Adoption:**
The Urban Board will pass a resolution adopting the Action Plan, thereby institutionalizing it as a guiding document for municipal-private sector collaboration.
5. **Integration into Municipal Planning:**
The Action Plan will be integrated into the Integrated Development Plan (IDEP), annual work plans, and budgets of Bomet Municipality.
6. **Implementation and Monitoring:**
The Urban Manager will oversee implementation, supported by county departments and private sector actors. Progress will be monitored against agreed indicators and reported to the Urban Board.

Table 5.1 – Sector-Specific Interventions

Sector	Intervention	Responsible Actors	Timeline (Years 2–3)	Indicators
Agriculture	Aggregation centers & cold storage	Urban Board, Dept. of Agriculture, cooperatives	2–3	Reduction in post-harvest losses, farmer incomes
Trade	Upgrade municipal markets	Dept. of Trade, trader associations	2–3	Number of upgraded markets, adoption of digital payments
Services	Vocational training centers	Dept. of Education, training institutions	2–3	Number of trainees, employment rates

Strategic Significance

The PPDF Action Plan ensures that dialogue in Bomet Municipality is purposeful, structured, and results-oriented. It transforms discussions into commitments, commitments into actions, and actions into measurable outcomes. By embedding the Action Plan into municipal governance, Bomet Municipality will strengthen its competitiveness, foster inclusivity, and build resilience. It will also demonstrate compliance with KUSP II performance standards, thereby securing access to grants and enhancing its financial capacity for urban development.

Chapter Five: Sample Public-Private Dialogue Forum (PPDF) Action Plan Framework for Bomet Municipality

To illustrate how dialogue outputs can be translated into actionable commitments, the following sample Action Plan framework is tailored to Bomet Municipality's three priority sectors—agriculture, trade, and services. It demonstrates how sector-specific priorities identified in the diagnostic process can be structured into interventions, responsibilities, timelines, and indicators.

Agriculture Sector Action Plan

Objective: Strengthen agricultural value chains, enhance productivity, and improve market access for farmers and cooperatives.

- **Intervention 1:** Establish aggregation centers and cold storage facilities for tea, dairy, and horticultural produce.
 - *Responsible actors:* Urban Board, County Department of Agriculture, farmer cooperatives, private investors.
 - *Resources:* UIG allocations, cooperative contributions, PPP arrangements.
 - *Timeline:* Year Two – feasibility and site identification; Year Three – construction and operationalization.
 - *Indicators:* Number of aggregation centers established; reduction in post-harvest losses; increase in farmer incomes.
- **Intervention 2:** Promote climate-smart agriculture and digital platforms for market information.
 - *Responsible actors:* County Department of Agriculture, ICT Department, extension service providers.
 - *Resources:* UIG allocations, donor support, private ICT firms.
 - *Timeline:* Year Two – training programs; Year Three – rollout of digital platforms.
 - *Indicators:* Number of farmers trained; adoption rate of digital platforms; improved yields.
- **Intervention 3:** Expand access to affordable credit for smallholder farmers.
 - *Responsible actors:* Local microfinance institutions, cooperatives, KNCCI.
 - *Resources:* Partnerships with financial institutions, municipal facilitation.
 - *Timeline:* Year Two – design of credit schemes; Year Three – implementation.
 - *Indicators:* Number of farmers accessing credit; repayment rates; increase in investment in inputs.

Trade Sector Action Plan

Objective: Modernize market infrastructure, simplify regulatory processes, and strengthen trader associations.

- **Intervention 1:** Upgrade municipal markets with modern stalls, sanitation facilities, and digital payment systems.
 - *Responsible actors:* Urban Board, County Department of Trade, trader associations.
 - *Resources:* UIG allocations, county budget, private sector contributions.
 - *Timeline:* Year Two – design and procurement; Year Three – construction and rollout.
 - *Indicators:* Number of upgraded markets; increase in trader satisfaction; adoption of digital payments.
- **Intervention 2:** Streamline licensing processes under the Single Business Permit (SBP) system.
 - *Responsible actors:* County Revenue Department, ICT Department, CPCT.
 - *Resources:* ICT upgrades, staff training.
 - *Timeline:* Year Two – review and redesign of SBP processes; Year Three – implementation.
 - *Indicators:* Reduction in licensing turnaround time; increase in compliance rates.
- **Intervention 3:** Strengthen trader associations and integrate informal groups into PPDFs.
 - *Responsible actors:* Urban Board, KNCCI, informal trader groups.
 - *Resources:* Capacity-building workshops, outreach programs.
 - *Timeline:* Year Two – mapping of associations; Year Three – formal integration into PPDF.
 - *Indicators:* Number of associations represented in PPDF; increased participation of informal traders.

Services Sector Action Plan

Objective: Expand vocational training, strengthen hospitality and tourism, and improve access to financial and health services.

- **Intervention 1:** Establish vocational training centers focused on ICT, hospitality, and technical trades.
 - *Responsible actors:* County Department of Education, private training institutions, donor partners.
 - *Resources:* UIG allocations, donor grants, private sector investment.
 - *Timeline:* Year Two – curriculum development; Year Three – operationalization of centers.
 - *Indicators:* Number of trainees enrolled; employment rates post-training.
- **Intervention 2:** Promote eco-tourism and hospitality services linked to Mau Forest and tea estates.

- *Responsible actors:* County Department of Tourism, hospitality associations, private investors.
- *Resources:* PPP arrangements, marketing campaigns.
- *Timeline:* Year Two – development of tourism strategy; Year Three – rollout of eco-tourism initiatives.
- *Indicators:* Increase in tourist arrivals; growth in hospitality enterprises.
- **Intervention 3:** Expand access to financial and health services for MSMEs and residents.
 - *Responsible actors:* Local banks, microfinance institutions, private clinics, County Health Department.
 - *Resources:* Partnerships with financial institutions and health providers.
 - *Timeline:* Year Two – mapping of service gaps; Year Three – expansion of facilities and services.
 - *Indicators:* Number of new financial products introduced; increase in health service coverage.

Monitoring and Evaluation Framework

Each intervention will be tracked through measurable indicators, with progress reported quarterly to the Urban Board and annually to the County Government. The PPDF Secretariat will prepare consolidated reports, which will be made publicly accessible to ensure transparency and accountability.

This sample Action Plan framework demonstrates how Bomet Municipality can translate dialogue into structured commitments across agriculture, trade, and services. It provides a roadmap for implementation, ensuring that interventions are sector-specific, inclusive, and aligned with municipal priorities.

Chapter Six: Capacity Building and Outreach for Private Sector Engagement in Bomet Municipality

Capacity building and outreach are essential components of the Private Sector Engagement Framework (PSEF) in Bomet Municipality. While the establishment of databases, diagnostics, and dialogue forums provides the structural foundation, their effectiveness depends on the skills, awareness, and participation of stakeholders. This chapter outlines the strategies for strengthening institutional capacity, empowering private sector actors, and ensuring inclusive outreach that integrates all voices into municipal governance.

Purpose of Capacity Building and Outreach

The objectives of this chapter are to:

- Equip municipal staff, Urban Board members, and private sector stakeholders with the knowledge and skills required to operationalize the PSEF.
- Build institutional capacity for data management, diagnostics, and dialogue facilitation.
- Empower MSMEs, youth, women, and marginalized groups to participate meaningfully in engagement processes.
- Enhance awareness of the PSEF and its benefits through structured outreach and communication strategies.
- Foster trust and transparency between the Municipality and private sector actors.

Institutional Capacity Building

Capacity building will focus on strengthening the institutional ability of Bomet Municipality to manage and sustain private sector engagement.

Key interventions include:

- **Training for Urban Board Members and Committees:** Training sessions on governance, stakeholder engagement, performance monitoring, and use of diagnostic tools.

- **Skills Development for Municipal Staff:**
Capacity building in ICT, database management, data analysis, and facilitation of dialogue forums.
- **Technical Assistance from County Departments:**
Support from Planning, ICT, and Trade departments to provide specialized training and mentoring.
- **Peer Learning and Exchange Visits:**
In-country exchange visits to other municipalities implementing PSEFs successfully, enabling cross-learning and replication of best practices.

Private Sector Empowerment

Capacity building must extend to private sector actors to ensure they can engage effectively with municipal structures.

Key interventions include:

- **Training MSMEs and Informal Traders:**
Workshops on financial literacy, compliance with licensing, digital commerce, and market linkages.
- **Support for Cooperatives and Associations:**
Strengthening organizational capacity of farmer cooperatives, trader associations, and professional groups to represent members effectively in PPDFs.
- **Accreditation and Formalization:**
Supporting informal groups to pursue accreditation status, thereby formalizing their role in municipal engagement.
- **Innovation and Entrepreneurship Support:**
Facilitating access to innovation hubs, incubation programs, and business development services.

Outreach and Communication

Outreach ensures that all stakeholders are aware of the PSEF, understand its benefits, and are motivated to participate.

Key strategies include:

- **Communication Plan:**
Development of a municipal communication plan with clear messaging on the purpose and benefits of private sector engagement.
- **Public Awareness Campaigns:**
Use of local radio, community forums, and digital platforms to disseminate information about the PSEF and upcoming dialogue sessions.
- **Targeted Outreach:**
Special outreach to youth, women, and marginalized groups to ensure inclusivity.

- **Transparency Measures:**
Publication of PSEF outputs, including diagnostic reports and Action Plans, in accessible formats for public review.

Table 6.1 – Capacity Building Plan

Target Group	Training Modules	Delivery Methods	Indicators
Urban Board Members	Governance, stakeholder engagement	Workshops, peer learning	Number trained, improved governance
Municipal Staff	ICT, database management, facilitation	Training sessions, mentoring	Data accuracy, improved facilitation
MSMEs & Traders	Financial literacy, digital commerce	Workshops, outreach programs	Increased compliance, adoption of digital tools
Cooperatives	Organizational management, advocacy	Capacity-building workshops	Stronger representation in PPDFs

Strategic Significance

Capacity building and outreach ensure that the PSEF in Bomet Municipality is not only structurally sound but also socially inclusive and sustainable. By equipping institutions and stakeholders with the necessary skills and awareness, the Municipality will foster meaningful participation, strengthen trust, and enhance accountability. Outreach will ensure that no group is left behind, embedding inclusivity into the heart of urban governance.

Chapter Seven: Monitoring, Evaluation, and Learning Framework for Private Sector Engagement in Bomet Municipality

Monitoring, evaluation, and learning (MEL) are critical to ensuring that the Private Sector Engagement Framework (PSEF) in Bomet Municipality is not only implemented but also continuously improved. The MEL framework provides mechanisms for tracking progress, assessing outcomes, and integrating lessons into future planning. It ensures accountability to stakeholders, compliance with KUSP II performance standards, and sustainability of engagement processes.

Purpose of the MEL Framework

The MEL framework is designed to:

- Track the implementation of PSEF components (database, diagnostics, PPDFs, and Action Plans).
- Assess the effectiveness of interventions in improving the business environment and fostering competitiveness.
- Provide evidence for decision-making and resource allocation.
- Ensure transparency and accountability to stakeholders.
- Facilitate continuous learning and adaptation of strategies.

Key Components

1. **Monitoring:**
 - Regular tracking of activities, outputs, and indicators.
 - Use of performance scorecards aligned with KUSP II Result Area Four (RA4).
 - Quarterly progress reports prepared by the Urban Manager and reviewed by the Urban Board.
2. **Evaluation:**
 - Annual performance appraisals conducted by the County Government and SDHUD.
 - Independent assessments of the effectiveness of PSEF interventions.
 - Mid-term and end-term evaluations to measure impact on competitiveness, inclusivity, and resilience.
3. **Learning:**
 - Documentation of lessons learned from implementation.

- Sharing of best practices through peer learning and exchange visits.
- Integration of lessons into subsequent planning cycles and revisions of the PSEF.

Indicators

The MEL framework will track indicators across the three core components of the PSEF:

- **Private Sector Database:**
 - Number of businesses registered and updated annually.
 - Percentage of businesses clustered by sector.
 - Accessibility of data to stakeholders.
- **Private Sector Diagnostic:**
 - Completion and publication of diagnostic reports.
 - Number of stakeholders consulted.
 - Integration of diagnostic findings into IDEPs and municipal policies.
- **Public-Private Dialogue Forums (PPDFs):**
 - Number of dialogue sessions held annually.
 - Diversity of stakeholder participation (MSMEs, youth, women, informal traders).
 - Number of action points agreed and implemented.
- **Action Plan Implementation:**
 - Percentage of interventions completed within timelines.
 - Resource mobilization achieved (UIG allocations, private sector contributions).
 - Improvements in business environment indicators (licensing efficiency, market infrastructure, access to finance).

Roles and Responsibilities

- **Urban Manager:** Leads monitoring activities, prepares reports, and coordinates evaluations.
- **Urban Board:** Reviews progress, ensures accountability, and integrates lessons into planning.
- **County Project Coordination Team (CPCT):** Provides technical support and ensures alignment with county MEL systems.
- **Private Sector Actors:** Participate in evaluations, provide feedback, and contribute to learning processes.
- **SDHUD and Development Partners:** Provide oversight, technical assistance, and independent evaluations.

Timelines

- **Year One:** Establish MEL framework, define indicators, and prepare baseline data.
- **Year Two:** Conduct quarterly monitoring, prepare annual progress report, and hold peer learning sessions.
- **Year Three:** Conduct mid-term evaluation, integrate lessons into revised Action Plan, and prepare impact assessment.

Strategic Significance

The MEL framework ensures that the PSEF in Bomet Municipality remains dynamic, responsive, and accountable. By embedding monitoring and evaluation into governance structures, the Municipality will demonstrate compliance with KUSP II standards, strengthen stakeholder trust, and continuously improve its strategies. Learning processes will ensure that interventions remain relevant and effective, positioning Bomet Municipality as a leader in inclusive urban governance.

Chapter Nine: References and Annexes for the Bomet Municipality Toolkit

This chapter consolidates supporting materials, sample forms, annexed templates, and references to national policies and frameworks that underpin the Private Sector Engagement Framework (PSEF) in Bomet Municipality. These annexes provide practical instruments for implementation and ensure alignment with Kenya’s legal and policy environment.

Annex 1: Private Sector Database Fields

Field Category	Sample Fields
Identification	Business name, business code (KeSIC), registration/license number
Contact Information	Contact person, phone, email, physical address, geo-location (GPS coordinates)
Location	Municipality, sub-county, ward
Business Profile	Industry/sector, business activity, ownership type (individual/cooperative/company)
Scale and Size	Number of employees, turnover, assets
Associations	Membership in KNCCI, KEPSA, KAM, MSME associations, cooperatives
Accreditation	Accreditation status (formal/informal)
Engagement	Participation in PPDFs (yes/no)

Annex 2: Sample Diagnostic Report Template

Section	Content Description
Executive Summary	Key findings and recommendations
Introduction	Objectives and scope of the diagnostic
Methodology	Tools used, stakeholders consulted, data sources
Findings	Organized by policy levers: institutions/regulations, infrastructure/land, skills/innovation, enterprise support/finance
Sector Analysis	Agriculture, trade, services
SWOT Analysis	Strengths, weaknesses, opportunities, threats
Recommendations	Proposed interventions and partnerships
Annexes	Survey tools, stakeholder lists, data tables

Annex 3: PPDF Record Template

Item	Content Description
Date and Venue	Meeting details
Agenda Items	Topics discussed
Participants	Names, organizations, sectors represented
Key Issues	Summary of discussions
Agreements Reached	Consensus points
Action Points	Specific commitments with responsibilities and timelines
Next Steps	Follow-up mechanisms
Signatures	Chairperson and Secretariat

Annex 4: PPDF Action Plan Format

Section	Content Description
Introduction	Context and objectives of the Action Plan
Priority Interventions	Sector-specific and cross-cutting interventions
Roles and Responsibilities	Allocation of tasks to Urban Board, County departments, private sector associations, civil society
Resource Requirements	Financial, technical, and human resources needed
Timelines	Sequencing of interventions (short-term, medium-term, long-term)
Monitoring Indicators	Measurable outcomes for each intervention
Reporting Mechanisms	Frequency and format of progress reports

Annex 5: Capacity Building Plan Template

Section	Content Description
Objectives	Skills and knowledge to be developed
Target Groups	Urban Board members, municipal staff, MSMEs, informal traders, cooperatives
Training Modules	Governance, ICT, financial literacy, innovation, compliance
Delivery Methods	Workshops, peer learning, exchange visits, online platforms
Resources	Trainers, facilitators, budget allocations
Monitoring Indicators	Number of participants trained, skills acquired, application of knowledge

Annex 6: Outreach and Communication Plan Template

Section	Content Description
Objectives	Raise awareness of PSEF, mobilize participation, foster trust
Target Audiences	MSMEs, youth, women, informal traders, cooperatives, residents' associations
Key Messages	Purpose of PSEF, benefits of participation, upcoming events
Communication Channels	Local radio, community forums, social media, municipal website, print materials
Activities	Public awareness campaigns, stakeholder meetings, information dissemination
Monitoring Indicators	Participation rates, diversity of stakeholders engaged, feedback received

Annex 7: References to National Policies and Frameworks

Policy/Framework	Relevance to PSEF in Bomet Municipality
Urban Areas and Cities Act (UACA), 2011 (Revised 2019)	Establishes Urban Boards and mandates participatory urban governance
Kenya Urban Support Program II (KUSP II)	Provides performance-based grants; RA4 requires structured private sector engagement
Access to Information Act, 2016	Ensures transparency and public access to municipal data
Data Protection Act, 2019	Provides legal framework for responsible management of private sector data
Micro and Small Enterprises Act, 2012	Defines MSME categories and guides their integration into economic planning
National Urban Development Policy (NUDP)	Emphasizes private sector role in competitive, resilient urban growth
County Governments Act, 2012	Mandates citizen participation and stakeholder engagement in governance
Medium-Term Plan (MTP) under Vision 2030	Aligns municipal interventions with national development priorities

Strategic Significance

The annexes and references provide Bomet Municipality with practical instruments and legal anchors for operationalizing the PSEF. They ensure that engagement processes are structured, inclusive, and compliant with national frameworks. By institutionalizing these tools, the

Municipality will strengthen its governance capacity, foster trust with stakeholders, and enhance competitiveness through evidence-based planning and dialogue.