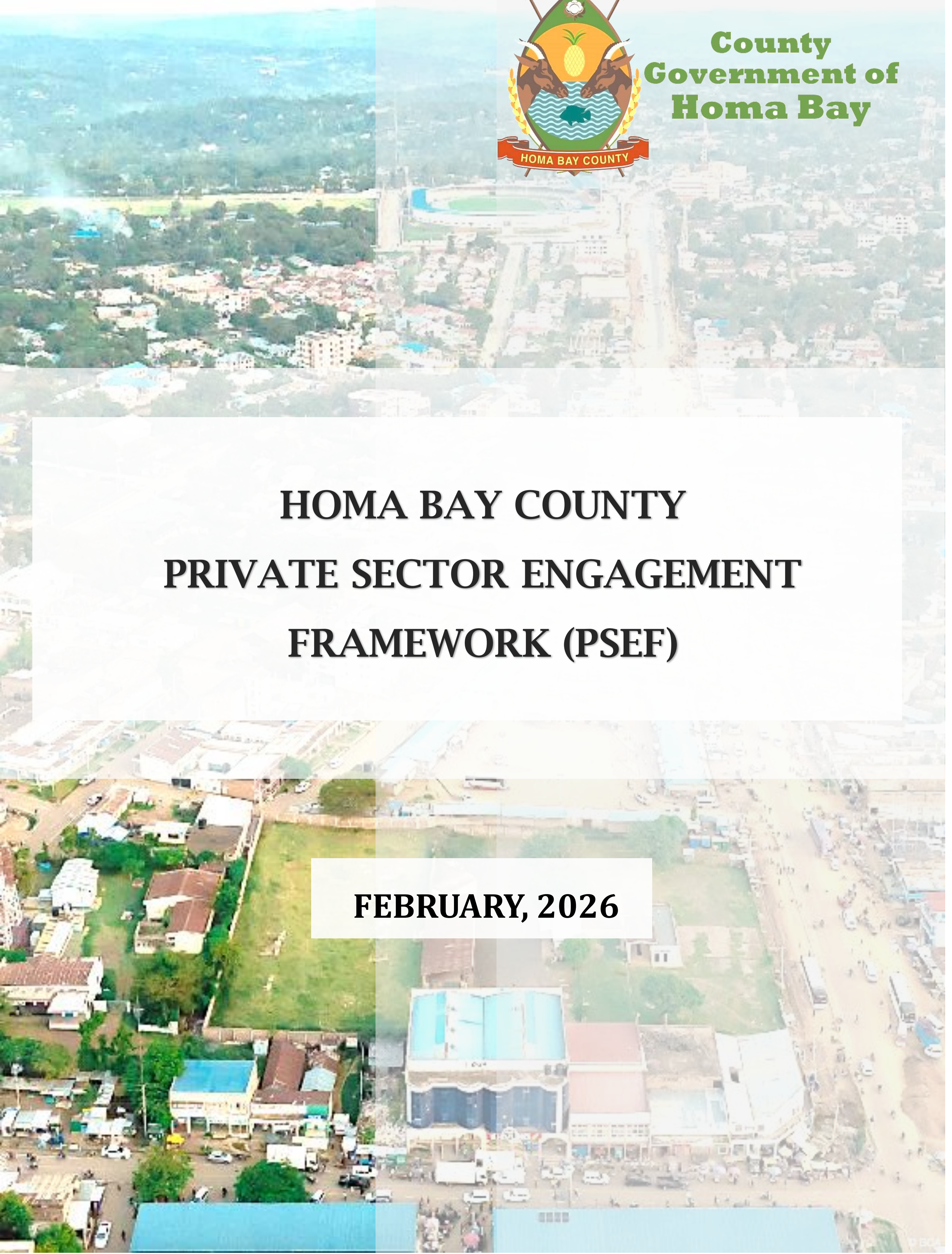

County Government of Homa Bay

HOMA BAY COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK (PSEF)

FEBRUARY, 2026

Prepared For:

County Government of Homa Bay

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ABBREVIATIONS AND ACRONYMS

Abbreviation	Full Meaning
ADP	Annual Development Plan
APA	Annual Performance Assessment
BDS	Business Development Services
CEC	County Executive Committee
CGA	County Governments Act
CIDP	County Integrated Development Plan
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IDEP	Integrated Development Plan
KNBS	Kenya National Bureau of Statistics
KUSP II	Kenya Urban Support Programme II
LED	Local Economic Development
M&E	Monitoring and Evaluation
MSEA	Micro and Small Enterprises Authority
MSME	Micro, Small and Medium Enterprises
NEMA	National Environment Management Authority
PFM	Public Finance Management
PPDF	Public-Private Dialogue Forum
PPP	Public Private Partnership
PSEF	Private Sector Engagement Framework
SBP	Single Business Permit
UACA	Urban Areas and Cities Act
UDG	Urban Development Grant

FORWARD

Homa Bay County stands at a pivotal moment in its socio-economic transformation, with increasing recognition of the private sector as a central driver of inclusive growth, employment creation, and urban development. The development of the Private Sector Engagement Framework (PSEF) reflects the County's commitment to strengthening collaboration between public institutions and private sector actors, in line with the Constitution of Kenya (2010), County Governments Act (2012), and the Kenya Urban Support Programme II (KUSP II).

This framework provides a structured and institutionalized approach to engagement, addressing long-standing gaps in coordination, data systems, and stakeholder participation. Evidence from field assessments highlights both challenges and opportunities: while businesses face constraints such as high cost of doing business, infrastructure deficits, and regulatory inefficiencies, there is also strong demand for structured engagement, with a majority of enterprises expressing willingness to participate in regular dialogue platforms.

The PSEF is therefore designed as a practical and results-oriented tool that integrates private sector perspectives into planning, budgeting, and policy processes, ensuring that development interventions are responsive to real economic conditions.

By institutionalizing mechanisms such as the private sector database, diagnostics, and Public-Private Dialogue Forums (PPDFs), the framework strengthens evidence-based decision-making and accountability in urban governance.

Ultimately, this framework positions Homa Bay County to transition from fragmented engagement to a coordinated, inclusive, and data-driven system, capable of unlocking investment, improving service delivery, and fostering sustainable economic growth.

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The development of the Homa Bay County Private Sector Engagement Framework (PSEF) has been made possible through the collaborative efforts of multiple stakeholders at national, county, and local levels.

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Special recognition is extended to the County Executive Committee, KUSPII County Project Coordination Team (CPCT), Municipal Board Members, and Municipal Managers, whose leadership and technical input were instrumental throughout the process. The commitment of county departments, including Trade, Finance, Planning, ICT, and Urban Development, ensured that the framework is well aligned with county systems and priorities.

The County further acknowledges the invaluable contributions of private sector actors, business associations, cooperatives, and informal sector representatives, who participated in surveys, consultations, and stakeholder engagements. Their insights provided a realistic understanding of the business environment, highlighting key challenges such as regulatory constraints, infrastructure gaps, and limited access to services, while also demonstrating strong interest in structured engagement.

Finally, appreciation is extended to the Lakers Consultancy Limited and all stakeholders who contributed to data collection, analysis, and validation processes. Their collective input has ensured that the PSEF is not only policy-compliant but also grounded in local realities and responsive to the needs of Homa Bay's economy.

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EXECUTIVE SUMMARY

The Private Sector Engagement Framework (PSEF) for Homa Bay County represents a transformational shift in how the County collaborates with the private sector. Aligned with KUSP II Result Area 4 (RA4), the framework establishes a structured, institutionalized, and results-driven platform that strengthens urban governance, enhances the business environment, and unlocks inclusive economic growth by firmly embedding private sector perspectives into planning, policy, and investment decisions.

Guided by the CIDP 2023–2027, which prioritizes industrialization, MSME development, and economic competitiveness, the framework responds to both challenges and opportunities identified in the field. While businesses face constraints such as high operating costs, infrastructure gaps (59%), skills deficits (39–47%), and limited awareness of engagement platforms (47–54%), there is also remarkable momentum for change, with over 90% of enterprises expressing willingness to engage and a strong preference for regular, structured dialogue. This presents a powerful foundation for building a more responsive and inclusive economic system.

The PSEF adopts a forward-looking, evidence-based approach anchored on four strategic pillars: institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance. It is operationalized through three high-impact components: a robust private sector database to drive data visibility, a diagnostic framework to unlock actionable insights, and Public-Private Dialogue Forums (PPDFs) to institutionalize continuous, meaningful engagement.

Through these mechanisms, the framework is poised to deliver tangible and far-reaching outcomes, including a more competitive and enabling business environment, increased investment in key sectors such as agriculture and the blue economy, stronger trust and collaboration between public and private actors, and enhanced data-driven decision-making. Importantly, it places a strong emphasis on inclusivity, ensuring that MSMEs and informal sector actors are actively integrated into the County's development agenda.

Implementation is supported by a coordinated and accountable governance structure, bringing together the County Executive, CPCT, Urban Boards, Municipal Managers, and a dedicated PSEF Secretariat, alongside active participation from private sector stakeholders and development partners. This ensures that the framework is not only strategic but also practical, sustainable, and fully aligned with county systems. By addressing key risks, such as coordination gaps, financing constraints, communication challenges, and informality, through targeted and scalable solutions, the PSEF positions Homa Bay County to move decisively from fragmented engagement to a cohesive, high-impact system.

Ultimately, the PSEF is more than a framework, it is a catalyst for transformation. By bridging data, dialogue, and decision-making, it empowers Homa Bay County to drive investment, strengthen governance, and deliver inclusive, resilient, and sustainable economic growth.

1.0 INTRODUCTION

1.1 Background

Homa Bay County is undergoing a critical phase of socio-economic transformation anchored on both national development aspirations and localized planning instruments. The need for a structured Private Sector Engagement Framework (PSEF) arises from the imperative to align county development processes with national policy frameworks, constitutional provisions, and global development commitments, while unlocking the full potential of the private sector as a driver of inclusive urban and economic growth.

At the national level, the Constitution of Kenya (2010) establishes a devolved system of governance that assigns counties the responsibility for planning and promoting local economic development, including trade, industrialization, and urban management. It further emphasizes public participation, inclusivity, transparency, and accountability as core governance principles.

These constitutional provisions are operationalized through the County Governments Act, 2012 and the Urban Areas and Cities Act (UACA 2011, amended 2019) which require counties and urban boards to adopt integrated planning approaches, institutionalize stakeholder engagement, and establish participatory mechanisms such as citizen fora and urban boards. These legal frameworks implicitly and explicitly position the private sector as a key stakeholder in urban governance, thereby necessitating a formalized engagement structure.

At the strategic level, Kenya Vision 2030 provides the overarching development blueprint aimed at transforming Kenya into a newly industrializing, middle-income country with a high quality of life. The Vision is anchored on three pillars economic, social, and political and explicitly recognizes the private sector as the primary engine of economic growth, investment, and job creation. It emphasizes public-private partnerships, competitiveness, and investment promotion as critical pathways to achieving sustained economic growth. In this context, counties such as Homa Bay are expected to create enabling environments that facilitate private sector participation in development processes.

Similarly, Kenya's commitment to the Sustainable Development Goals (SDGs) reinforces the importance of private sector participation in achieving inclusive and sustainable development. Goals such as SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 11 (Sustainable Cities and Communities) underscore the need for strong partnerships between public institutions and private actors to drive economic transformation, infrastructure development, and urban resilience. These global commitments further justify the establishment of structured engagement mechanisms at the county level.

At the county level, the Homa Bay County Integrated Development Plan (CIDP) 2023–2027 provides the primary development framework guiding socio-economic transformation. The CIDP integrates national priorities, stakeholder inputs, and local development aspirations into a coherent planning instrument. It emphasizes economic recovery, industrialization, MSME development, and improved ease of doing business as key priorities.

However, the CIDP also highlights systemic challenges, including limited private sector integration, a large informal economy, weak revenue mobilization systems, and inadequate stakeholder coordination. These challenges point to the absence of a structured mechanism for engaging the private sector in planning, policy formulation, and implementation. Further, the CIDP acknowledges that a significant proportion of Homa Bay's economy is driven by micro and informal enterprises, many of which operate outside formal regulatory and engagement frameworks. This fragmentation limits the county's ability to effectively harness private sector contributions, expand the tax base, and design responsive policies. A structured PSEF therefore becomes essential to formalize engagement, improve outreach, and integrate both formal and informal sector actors into the development ecosystem.

The County and Municipal Spatial Plans further reinforce the importance of coordinated planning and stakeholder engagement in managing urban growth, land use, infrastructure development, and economic zoning. These instruments require continuous input from economic actors to ensure that spatial and sectoral plans are responsive to market dynamics, investment opportunities, and emerging economic clusters. Without a structured engagement framework, the linkage between planning instruments and private sector needs remains weak, resulting in suboptimal investment outcomes and uncoordinated urban development.

In parallel, the Kenya Urban Support Programme II introduces a results-driven framework that reinforces the need for institutionalized private sector engagement as a core element of urban governance. Under Result Area 4 (RA4), counties and urban boards are required to establish and operationalize structured mechanisms for engagement, including the development of a Private Sector Engagement Framework, establishment of a comprehensive private sector database, undertaking of a private sector diagnostic, and the creation of Public-Private Dialogue Forums (PPDFs). These components are designed to support evidence-based planning, strengthen coordination, and enhance the alignment between public sector investments and private sector priorities, while also serving as key performance indicators for accessing programme funding.

Findings from the field assessment in Homa Bay County complement these requirements by demonstrating a private sector that is vibrant, adaptive, and willing to engage more actively in development processes. The assessment also highlights an opportunity to strengthen institutional structures and engagement platforms to support more consistent, inclusive, and transparent collaboration. In particular, enhancing systems for data collection, stakeholder coordination, and structured dialogue will enable the county to better integrate private sector perspectives into planning, budgeting, and policy development processes.

Ultimately, the PSEF presents a forward-looking approach to consolidating existing efforts while strengthening collaboration across stakeholders. By institutionalizing dialogue through PPDFs, improving coordination across county departments and urban boards, and ensuring inclusive participation of both formal and informal sector actors, the framework will enhance accountability and responsiveness in urban governance. In doing so, it will position Homa Bay County to foster competitive, inclusive, and resilient urban centers, accelerate sustainable economic growth, and improve the overall quality of life for its residents.

1.2 Rationale for a Framework for Public-Private Engagement for Urban Development

The establishment of a Private Sector Engagement Framework (PSEF) in Homa Bay County is primarily anchored in KUSP II, which operationalizes the institutionalization of private sector participation in urban governance. Under Result Area 4 (RA4), counties are required to formalize engagement with the private sector through specific measures, including the development of a PSEF, establishment of a private sector database, undertaking sector diagnostics, and convening at least two Public-Private Dialogue Forums (PPDFs) annually. Compliance with these requirements is directly tied to eligibility for Urban Development Grants (UDGs), positioning the PSEF not only as a governance instrument but also as a critical financial enabler for urban development. This framework is further reinforced by the broader national policy and legal context, which emphasizes inclusive and participatory governance. The Urban Areas and Cities Act (UACA) mandates Urban Boards to facilitate stakeholder engagement in urban management, while the County Governments Act requires public participation in planning and decision-making processes. Additionally, the Public Finance Management Act underscores the integration of stakeholder inputs into budgeting processes to enhance transparency and accountability.

Homa Bay County presents a strong opportunity to deepen private sector engagement as a pathway to enhanced collaboration, greater inclusivity, and the unlocking of local economic potential. Findings from the field assessment point to significant room for improving awareness and outreach, with 54% of enterprises currently unaware of existing engagement platforms, even as 92% of respondents express strong interest in participating in public-private dialogue forums. This contrast highlights the need to better connect with the business community, expand access to information, and promote more structured and active participation in county processes.

Concurrently, businesses in the county are facing a number of operational challenges, including the cost of business procedures (56%), difficulties in accessing and affording business permits (45%), and a limited local supply of skilled labor (47%). These closely linked constraints underscore the importance of more structured and continuous engagement between the county government and the private sector to jointly define priorities and develop practical, long-term solutions.

In this context, the development of the PSEF offers a transformative opportunity to unlock the full potential of the private sector as a strategic partner in Homabay County's development. By strengthening data systems, institutionalizing inclusive and evidence-based engagement, and aligning private sector inputs with the county's planning and budgeting cycle, the framework lays the foundation for more targeted investments, efficient use of resources, and outcomes that genuinely reflect the priorities of the business community. The framework thus provides a structured and sustainable pathway for advancing inclusive, resilient, and data-driven urban and economic development in Homabay County.

1.3 Current Practice in Public-Private Engagement

Homa Bay County has existing mechanisms for engaging the private sector, though these are largely informal, fragmented, and not systematically coordinated. According to county and municipal officials, engagement currently takes place through:

1. Regulation and Compliance

- Enforces by-laws (e.g., zoning, health, safety, environmental standards).
- Conducts inspections to ensure businesses follow rules.

2. Service Provision

- Provides essential services such as water, electricity, waste collection, and roads.
- Businesses depend on these services for daily operations.

3. Taxation and Revenue Collection

- Collects business-related taxes, rates, and fees (e.g., property rates, trading licenses).
- Ensures businesses contribute to local revenue.

4. Business Support and Development

- Offers training programs, advisory services, and support for SMEs.
- Helps businesses access funding opportunities and markets.

5. Communication and Engagement

- Holds stakeholder meetings, forums, and public consultations.
- Shares information on policies, opportunities, and changes affecting businesses.

8. Partnerships and Collaboration

- Engages in public-private partnerships (PPPs) for development projects.
- Works with business associations and chambers of commerce.

9. Local Economic Development (LED) Initiatives

- Promotes investment and tourism.
- Supports local industries and encourages entrepreneurship.

Figure 1: Stakeholder Consultation on Projects Prioritization

Figure 2: Homa Bay Municipality Market Management Committee Meeting with County Officials

While these mechanisms provide entry points for engagement, they lack formal governance structures, clearly defined mandates, and structured processes for decision-making and follow-up.

The field report further highlights low awareness of dialogue forums among businesses and limited effectiveness of municipal services in supporting enterprise growth.

In addition, private sector participation is constrained by low levels of organization, as reflected in minimal membership in business associations. This undermines collective representation and reduces the capacity of businesses to engage meaningfully in policy dialogue. Despite these limitations, there is strong willingness among businesses in Homa Bay County to engage with government through structured platforms, with a preference for quarterly forums and a clear prioritization of issues such as infrastructure development, access to finance, regulatory reforms, and capacity building.

1.4 Implementation of KUSP II in Homa Bay County

Kenya Urban Support Programme II -KUSP II (2023–2027) aims to strengthen urban institutions by improving the delivery and resilience of urban infrastructure and services, deepening private sector engagement in urban planning, and supporting the transition of refugee camps into integrated host-community and refugee settlements. The programme is organized around five result areas:

- **RA 1:** Strengthened institutions for urban service delivery
  Enhancing institutional management, delegation of functions, human resource and financial management, and citizen participation in urban service delivery.
- **RA 2**: Integrated planning for inclusive and resilient urban areas
  Strengthening planning and development control capacities, including climate-resilient and gender-sensitive planning instruments, and their implementation and monitoring.

- **RA 3:** More inclusive and resilient urban services and infrastructure
  Improving access to urban infrastructure and services, building resilience through better planning and design, asset registries, and stronger operation and maintenance budgets.
- **RA 4**: Improved private sector engagement
  Supporting the development and rollout of a private sector engagement framework and ensuring urban development plans are informed by structured dialogue with the private sector.
- **RA 5:** Improved integrated development for refugees and host communities
  Supporting the integration of refugee camps through unified urban institutions that lead joint planning, infrastructure and service delivery, economic activities, and social cohesion.

For Result Area 4, the specific objectives are:

- Provide urban boards with up-to-date business data for planning and engagement.
- Support the formation of business associations as vehicles for structured engagement.
- Guide the establishment of public–private dialogue forums and the integration of their outcomes into planning documents, especially IDEPs.
- Equip urban boards with a diagnostic toolkit for local economy and private sector assessments to inform urban development strategies.

Under Result Area 4, counties are expected to develop and operationalize a Private Sector Engagement Framework (PSEF) as a precondition for accessing performance-based grants.

The KUSP II Toolkit outlines three core components of the PSEF:

- Private sector database to map and profile businesses using data from Single Business Permits (SBP) and other available sources.
- Private sector diagnostic to assess the business environment and identify key constraints and opportunities.
- Public–Private Dialogue Forums (PPDFs) to institutionalize regular and structured engagement platforms between the county and the private sector.

Homa Bay County has begun implementing this process through a field assessment that serves as the private sector diagnostic, generating evidence-based understanding of local business dynamics, challenges, and growth opportunities aligned with the four policy levers.

County officials have underscored the importance of intergovernmental coordination, particularly with national government agencies, to support infrastructure development, regulatory reforms, and investment promotion. Additionally Municipal Boards and the County Project Coordination Teams (CPCT) are expected to play a central role in rolling out the PSEF, including coordination of activities, capacity building, and monitoring of progress and performance.

1.5 Development of the Private Sector Engagement Framework (PSEF)

The development of the PSEF for Homa Bay County is grounded in both empirical evidences gathered through the field assessment and the requirements set out in the KUSP II Toolkit. The framework adopts a structured, inclusive, and results-oriented approach to engagement, aligned with national legislation, county policies, and urban governance structures.

The methodology applied a rigorous, mixed-methods, and multisectoral approach, consistent with international good practice and the requirements of KUSP II Result Area 4 (RA4). It was designed to produce a comprehensive and credible evidence base capable of informing a high-quality PSEF. Data collection involved extensive engagement with private-sector actors, municipal leadership, county and national government representatives, and strategic development stakeholders, ensuring that the findings reflect the diverse realities of Homa Bay County's economic ecosystem. Specifically, the methodology combined qualitative and quantitative techniques, drawing on stakeholder perspectives, official records, and spatial data to provide a holistic understanding of sectoral dynamics, investment constraints, and opportunities.

1.5.1 Data collection methods

A robust approach combining qualitative and quantitative techniques was used to generate a holistic and credible understanding of regions, municipalities, markets, and the broader private-sector landscape within Homa Bay County. The methodology drew on stakeholder perspectives, official records, and spatial data, ensuring that sectoral dynamics, investment constraints, and opportunities were captured comprehensively.

Key elements of the data collection strategy included:

a) Qualitative data

Key Informant Interviews (KIIs) were conducted to targeted county and municipal leadership, and strategic development stakeholders. These interviews offered strategic perspectives on aspects of Institutional context, governance and oversight, regulatory environment, investment promotion, public private partnerships and strategic directions.

b) Quantitative data

County revenue mapping data provided a spatially referenced view of business distribution, revenue performance, and sectoral concentration, forming a critical input for economic mapping and prioritization. In addition, business registration and licensing records, market and trading registers, and reviews of KNBS economic datasets complemented the mapping exercise, enabling estimation of enterprise numbers, employment levels, and sectoral contributions to the local economy. These were further enhanced by GIS layers and spatial datasets, which supported the identification of business clusters, investment hotspots, and environmental and climate vulnerability zones.

Subsequently, a sample size was determined based on the criteria outlined below to ensure it contributes meaningfully to the development of the framework.

1.5.2 Sampling Criteria

1. **Economic Activity**

Table 1: Sample Classification of Private Sector Economic Activities

Sector / Group	KII Respondents
Agribusiness	Farmers' cooperatives, Agro-input dealers, Millers produce buyers
Construction and Real Estate	Developers, contractors, hardware traders
ICT & Innovation	Tech hubs, cyber operators, digital entrepreneurs
Finance and Microfinance	SACCOs, banks, micro-lenders, M-Pesa and Banks Agency, Insurance Agents
Health and Social care services	Private hospitals, clinics, pharmacies, medical laboratories, health insurance providers
Hospitality & Tourism	Hotel owners, restaurateurs, tour operators
Trade and retail	Market traders, business associations, wholesalers, supermarket managers
Professional Services	Lawyers, accountants, engineers, consultants' associations
Manufacturing and processing	Small-scale industries, Jua Kali artisans, Agro-processors
Transport and logistics	Matatu & Boda SACCO leaders, freight operators (if any) car rental offices, Commuter Buses Booking Offices, Motor vehicle/motorcycle garages
Waste Management & Green Economy	Recycling businesses including Scrap Metal Yards) (environmental startups, cleaning enterprises
Utilities and infrastructure partners	Energy companies, water vendors, landlords' associations

2. Category and Size of business

Micro	Less than 10 employees
Small	10-49 employees
Medium	50-249 employees
Large	250 employees and above

3. Years of business Operation

- Less than 1 year
- 1-3 years
- 4-6 years
- More than 6 years

Among other key areas of consideration.

c) Integration and synthesis

To enable triangulation across multiple data sources, the quantitative data were analyzed and synthesized alongside KII findings. This ensured that the final diagnostic reflected both statistical realities and the lived experiences of private-sector actors in each municipality, providing a combined evidence base for identifying comparative advantages, high-potential sectors, and strategic investment areas that informed the mapping of economic potential at the ward level.

The outputs of this data collection process summarize enterprise numbers, sectoral distribution, employment estimates, and contributions to the local economy, enabling visualization of the county's comparative advantages and guiding sector prioritization for investment and engagement.

1.5.3 Review of County Policy and Planning documents

A comprehensive review of relevant policy, planning, and strategic documents was undertaken to contextualize the diagnostic findings and ensure alignment with existing frameworks. Key documents reviewed included:

- The County Integrated Development Plan (CIDP), which outlined Homa Bay County's overall policy direction, investment strategies, infrastructure development plans, and existing private-sector engagement arrangements.
- Integrated Development Plans (IDeP) for each municipality, which provided guidance on local economic development priorities and sectoral interventions.
- Municipal spatial plans and land-use frameworks, which supported the identification of strategic locations for economic activity and the potential expansion of business clusters.
- Sector-specific policies and guidelines, including those relating to trade, transport, tourism, agribusiness, and environmental management, all of which affect private-sector operations in the municipalities.
- KUSP II RA4 guidelines and performance conditions, ensuring that the diagnostic approach and recommendations remain consistent with national standards for private-sector engagement.

These reviews enabled the diagnostic team to assess the regulatory and institutional environment influencing enterprise growth and investment, identify policy gaps and overlapping mandates, and highlight opportunities for alignment between municipal and county strategies. They also ensured that sectoral prioritization and recommendations were evidence-based and aligned with both local development objectives and broader KUSP II goals.

2.0 DEVELOPMENT OF THE FRAMEWORK

2.1 Legal basis and alignment to existing county frameworks and processes

At the national level, the development of the PSEF for Homa Bay County is anchored in Kenya's overarching constitutional, legal, and policy framework that governs devolution, urban development, and participatory governance. The Constitution of Kenya (2010) provides the primary foundation, emphasizing public participation, inclusive economic development, and the decentralization of governance functions to county governments. These provisions require counties, including Homa Bay, to actively involve stakeholders, particularly the private sector, in shaping decisions that influence local economic growth and service delivery.

Complementing this constitutional basis, key national legislation provides a structured pathway for operationalizing private sector engagement. The Urban Areas and Cities Act (2011) establishes a direct legal mandate for urban boards and municipal administrations to promote stakeholder participation in urban governance.

It requires the integration of private sector inputs into critical planning instruments such as Integrated Development Plans (IDEPs), spatial plans, and annual budgets. In this regard, the PSEF for Homa Bay County translates these statutory requirements into a more structured and institutionalized engagement mechanism.

Further reinforcing this framework, the County Governments Act (2012) obligates counties to create formal mechanisms for citizen and stakeholder participation in planning, policy formulation, and budgeting processes. This is supported by the Public Finance Management Act (2012), which ensures coherence between planning and budgeting, thereby enabling private sector contributions to be reflected in actual resource allocation.

Additionally, the Access to Information Act (2016) and the Data Protection Act (2019) provide important provisions on transparency, data access, and confidentiality, particularly in the management of private sector information under the framework.

The PSEF is also aligned with the KUSP II, which offers both an operational framework and performance-based incentives for counties to strengthen private sector engagement. Under Result Area 4 (RA4), counties are required to establish and operationalize a Private Sector Engagement Framework as a condition for accessing Urban Development Grants (UDG). Specifically, Minimum Condition 8 (MC8) calls for a structured mechanism for public-private dialogue, while Performance Standard 11 (PS11) requires implementation actions such as developing a private sector database, undertaking diagnostics, and holding at least two dialogue forums annually.

At the county level, the framework is aligned with Homa Bay County's planning and institutional structures, including the County Integrated Development Plan (CIDP), Annual Development Plans (ADPs), and municipal Integrated Development Plans (IDEPs). It also builds on existing public participation platforms such as citizen fora, as well as administrative systems like the Single Business Permit (SBP) database managed by county departments responsible for trade and revenue. This ensures that private sector engagement is embedded within existing governance, planning, and budgeting processes rather than operating in isolation.

Insights from field assessments in Homa Bay County indicate that although mechanisms for engaging the private sector are already in place, they remain fragmented and insufficiently coordinated. Current engagement approaches include citizen fora, public participation meetings, surveys, and periodic consultations, with Homa Bay and Oyugis municipalities conducting engagements on a quarterly basis.

While existing engagement efforts provide a strong foundation, there is an opportunity to further strengthen their integration with planning and budgeting processes and enhance coordination across departments through a more unified framework. There is also scope to formalize structures such as Public-Private Partnerships (PPP), improve communication channels, and ensure more consistent representation of business interests.

The Homa Bay PSEF thus functions both as a strategic governance instrument and as a compliance mechanism for accessing performance-based financing. It further leverages existing opportunities by streamlining and integrating current practices into a coherent, legally grounded, and coordinated framework aligned with national legislation and the requirements of the KUSP II.

2.2 Objective of the framework

The PSEF for Homa Bay County is designed to provide a clear, inclusive, and sustainable structure for involving the private sector in urban development, economic planning, and service delivery. It builds on existing engagement efforts and organizes them into a more coordinated and effective system that enables businesses to play a meaningful role in shaping the county's development priorities.

Specifically, the PSEF aims to:

- Establishes a structured, inclusive, and sustainable framework for private sector engagement in urban development, economic planning, and service delivery in Homa Bay County.
- Strengthens coordination of existing engagement practices into a more efficient and impactful system for business participation.
- Enhances collaboration between Homa Bay County Government, municipal boards, and private sector actors to drive local economic growth and competitiveness.
- Integrates private sector input into key planning processes, including IDEPs, spatial plans, and annual budgets.
- Provides a platform to jointly identify and address priority issues such as infrastructure development, regulatory efficiency, and investment coordination.
- Promotes evidence-based planning through development of a private sector database and diagnostic tools.
- Institutionalizes continuous engagement through regular Public-Private Dialogue Forums (PPDFs) at the municipal level.
- Aligns with the requirements of the KUSP II to support compliance and access to performance-based financing, including Urban Development Grants.

2.3 Approach to the PSE framework

The PSEF for Homa Bay County adopts a structured and multi-dimensional approach informed by the KUSP II Toolkit and the World Bank analytical framework for competitive counties. The approach is designed to ensure systematic, inclusive, and results-oriented engagement of the private sector.

I. Policy Framework (Four Key Levers)

The framework is anchored on four strategic policy levers that guide interventions:

- **Institutions and Regulations:** Strengthening the business environment by addressing licensing, taxation, and regulatory processes.
- **Infrastructure and Land:** Supporting improvements in roads, markets, utilities, and access to business premises.
- **Skills and Innovation:** Promoting workforce development and encouraging innovation to enhance productivity.
- **Enterprise Support and Finance:** Expanding access to finance and business development services.

II. Core Framework Components

The PSEF is operationalized through three core components:

- Private Sector Database: Establishment of a comprehensive database to map and profile businesses, leveraging Single Business Permit (SBP) data and other sources.
- Private Sector Diagnostic: Continuous assessment of the business environment to inform policy and investment decisions.
- Public-Private Dialogue Forums (PPDFs): Institutionalized platforms for structured and ongoing engagement between the public and private sectors.

III. Integration into Governance Systems

The framework ensures that outputs from private sector engagement are systematically integrated into county governance processes, including:

- Integrated Development and spatial planning processes (IDEPs and spatial plans)
- Annual budgeting and development planning cycles
- Policy formulation and regulatory reforms

IV. Participatory and Inclusive Engagement

The approach emphasizes inclusivity by ensuring representation and participation of diverse stakeholder groups, including:

- Micro, Small, and Medium Enterprises (MSMEs) and the informal sector
- Business associations and organized private sector groups
- Women, youth, and other vulnerable populations

V. Results-Based Management

The PSEF incorporates a results-based management approach, with clearly defined performance indicators and monitoring systems aligned with KUSP II appraisal requirements, to track progress and ensure accountability.

2.4 Principles of the PSEF

The PSEF is guided by the following principles:

- Transparency and Accountability: Clear processes for decision-making, reporting, and feedback.
- Inclusivity: Ensuring participation of all categories of businesses, including informal enterprises.
- Evidence-Based Decision Making: Use of data from diagnostics and databases.
- Collaboration and Partnership: Strengthening cooperation between public and private sectors.
- Responsiveness: Addressing priority issues identified by stakeholders.
- Consistency and Regularity: Institutionalized engagement through scheduled forums.
- Sustainability and Resilience: Promoting environmentally sustainable and climate-resilient development.

These principles respond to gaps identified in current engagement practices, including lack of structured dialogue and limited feedback mechanisms.

2.1 Key actors and roles

Homa Bay County will implement the Private Sector Engagement Framework (PSEF) through a clearly defined, multi-tiered governance structure designed to ensure effective coordination, accountability, and inclusive stakeholder participation.

In line with the KUSP II Toolkit, the framework adopts a collaborative and Cross-sectoral approach, integrating public institutions, private sector actors, and development partners within a structured and coherent engagement system.

Table 2: Key Actors and Roles

Level	Institution	Role/Responsibility
National Government Ministries, Departments & Agencies (MDAs)	**The State Department for Housing and Urban Development**	SDHUD plays a central role in coordinating and overseeing the implementation of the Kenya Urban Support Programme and the private sector engagement framework across counties. It provides policy direction, technical guidance, and capacity building to county governments to ensure

Level	Institution	Role/Responsibility
		effective planning, financing, and delivery of urban development projects. Additionally, the Department facilitates intergovernmental coordination, mobilizes resources, and establishes standards and regulatory frameworks that enable private sector participation in urban investments.
	Kenya National Bureau of Statistics (KNBS)	KNBS is mandated to coordinate the National Statistical System (NSS). The Kenya Standard Industrial Classification (KeSIC), developed jointly by the Ministry of Labour and Social Protection and KNBS, serves as a statistical business coding system that offers a structured framework for classifying enterprises according to their main economic activities or industries.
	Medium and Small Enterprises Authority (MSEA)	MSEA operates under the Ministry of Co-operatives and Micro, Small and Medium Enterprises Development and plays a central role in coordinating, aligning, and facilitating both public and private sector initiatives, programmes, and development plans focused on micro and small enterprises (MSEs). Its functions include registering MSE associations, strengthening enterprise capacity, enhancing access to markets and infrastructure, facilitating affordable financing, and establishing centers of excellence. Overall, the Authority is mandated to regulate, support, and advance the growth and development of the MSE sector.
County Government	**County Executive**	The County Executive supports the preparation, approval, and periodic review of Plans, ensuring they are aligned with both county and national policies and strategic priorities. They are also responsible for appointing members of urban boards through a transparent and competitive selection process.
	County Executive Committee	CEC serves as the executive arm of county government, responsible for formulating and implementing policies, guiding planning processes such as CIDPs, and overseeing service delivery across departments. They manage county resources and budgets, coordinates and supervises county entities, advises the County Assembly on policy matters, and undertakes key administrative functions including appointments,

Level	Institution	Role/Responsibility
		ensuring effective, accountable, and aligned implementation of county development priorities.
	County Project Coordination Team (CPCT)	CPCT is responsible for overseeing the implementation of the PSEF at the county level. It coordinates programme activities, develops work plans and budgets, and prepares regular progress reports to track implementation. The team provides technical guidance to municipalities, ensuring that local initiatives align with established standards, including those of Kenya Urban Support Programme II. Additionally, the CPCT ensures compliance with programme requirements while promoting capacity building and facilitating knowledge sharing among stakeholders to strengthen effective and sustainable implementation.
Municipal Level	**Urban boards**	Urban (Municipal) Boards play a governance and oversight role in the implementation of the Private Sector Engagement Framework (PSEF). They are responsible for formally adopting the framework and guiding its execution, including the establishment and supervision of Public–Private Dialogue Forums (PPDFs). The boards ensure that private sector priorities are effectively integrated into Integrated Development Plans (IDEPs) and municipal budgets, while providing strategic oversight on service delivery and investment planning.
	Urban Manager	The Urban Manager, supported by the PSEF Secretariat, is responsible for translating the Private Sector Engagement Framework (PSEF) into action at the municipal level. This includes maintaining a comprehensive database of private sector actors, convening and coordinating Public–Private Dialogue Forums (PPDFs), and ensuring effective follow-up on agreed actions. The team documents discussions, tracks implementation progress, and prepares monitoring and evaluation reports to inform decision-making. Additionally, the PSEF secretariat's key role in facilitating clear and continuous communication among stakeholders to support coordinated and efficient implementation.
Private Sector		Private sector actors including firms, entrepreneurs, and MSMEs, play an active role in implementing the Private

Level	Institution	Role/Responsibility
		Sector Engagement Framework (PSEF) by engaging in dialogue forums and stakeholder consultations. They contribute valuable data and insights on the business environment, helping to inform policy and planning decisions. These actors identify key constraints and propose practical solutions, while also driving investment, stimulating economic activity, and generating employment opportunities. Furthermore, they promote innovation and adopt sustainable practices that support inclusive and resilient local economic development.
Business Associations		These organizations support capacity building and the dissemination of information, while actively participating in Public–Private Dialogue Forums (PPDFs) as representative bodies. They also promote adherence to regulatory requirements and industry standards, helping to strengthen a transparent and well-functioning business environment.
Civil Society Organizations (CSOs) & Residents' Associations		They represent social and community interests, advocate for transparency and accountability, and actively participate in dialogue on environmental and social concerns. Through their engagement, they promote inclusive decision-making processes and strengthen citizen participation in urban development initiatives.
Development Partners/ NGOs & Research Institutions		They provide both technical expertise and financial resources, while contributing to diagnostics, research, and innovation that inform evidence-based decision-making. These actors facilitate knowledge exchange and the sharing of best practices, and strengthen the capacity of county governments and private sector participants.

2.2 Transformative Benefits of adopting the private sector engagement framework

the framework unlocks new opportunities for investment, innovation, and improved service delivery, while strengthening governance systems and aligning development priorities with the real needs of the local economy. Highlighted below in key thematic areas are some of the outcomes and benefits of implementing the PSEF in Homa Bay County.

Table 3: PSEF Transformative Benefits

Thematic Area	Description (Homa Bay Context)	Key Outcomes / Benefits	Link to KUSP II and other Development Partners
1. Improved Business Environment and Competitiveness	The PSEF will enable Homa Bay County to systematically identify and address constraints affecting businesses—particularly MSMEs and informal enterprises that dominate the local economy. This includes improving regulatory processes, infrastructure, and access to business spaces.	• Streamlined licensing and permitting processes (SBP alignment) • Increased transparency and predictability in taxation and regulation • Improved access to serviced land, markets, and trading spaces • Enhanced delivery of infrastructure (roads, drainage, utilities)	Supports private sector diagnostic and policy dialogue to address constraints under RA4
2. Increased Investment and Economic Growth	By strengthening coordination and improving the business climate, the PSEF will position Homa Bay to attract investments in key sectors such as the blue economy, agriculture, agro-processing, tourism, ICT, and urban real estate.	• Increased local and external investment flows • Promotion of Public-Private Partnerships (PPPs) • Strengthened value chains (fisheries, agriculture, trade) • Expansion of businesses into regional markets (Lake Front corridor)	Informs investment prioritization through PPDFs and diagnostics
3. Strengthened Public-Private Collaboration and Trust	The institutionalization of Public-Private Dialogue Forums (PPDFs) will create structured, inclusive platforms for engagement between the County, urban boards, and private sector actors.	• Regular, structured dialogue (minimum 2 forums annually) • Improved communication and feedback loops • Joint problem-solving and co-creation of solutions	Directly fulfils PPDF requirement under RA4 performance standards

Thematic Area	Description (Homa Bay Context)	Key Outcomes / Benefits	Link to KUSP II and other Development Partners
		• Increased trust and accountability between stakeholders	
4. Evidence-Based Planning and Decision-Making	The PSEF introduces data-driven tools including a private sector database and diagnostic, enabling Homa Bay County to align planning with real economic needs and trends.	• Data-informed investment and policy decisions • Improved alignment between CIDP, IDEP, and budgeting processes • Enhanced monitoring and evaluation systems • Continuous learning and adaptive management	Meets requirement for database and diagnostic development under RA4
5. Inclusive Economic Development	The framework ensures broad-based participation by integrating formal and informal sector actors, including Jua Kali enterprises, cooperatives, and SMEs, into structured engagement processes.	• Increased participation of MSMEs and informal sector • Enhanced inclusion of youth, women, and vulnerable groups • Strengthened representation through associations • Expanded access to economic opportunities	Aligns with inclusive participation principles in PPDF design
6. Enhanced Infrastructure Development and Service Delivery	Through structured engagement, infrastructure priorities will be better aligned with business needs across municipalities such as Homa Bay and Oyugis Municipalities, Mbita, Ndhiwa, Kendu Bay	• Targeted investments in markets, roads, drainage, and utilities • Improved coordination between planning and implementation • Development of economic infrastructure (industrial zones, fish landing sites, markets) • Improved efficiency in service delivery	Supports dialogue-informed planning and investment prioritization
7. Promotion of Innovation, Skills Development, and Productivity	The PSEF will facilitate partnerships with training institutions and innovation actors to address skills gaps and improve productivity within key sectors.	• Strengthened vocational and technical skills development • Promotion of ICT adoption and digital transformation • Support for entrepreneurship and innovation hubs • Enhanced productivity across sectors	Addresses skills and innovation policy lever in diagnostics

Thematic Area	Description (Homa Bay Context)	Key Outcomes / Benefits	Link to KUSP II and other Development Partners
8. Strengthened Governance, Transparency, and Accountability	The framework establishes clear institutional roles across the County Executive, CPCT, Urban Boards, and Urban Managers, improving coordination and oversight.	• Clear roles and responsibilities in implementation • Improved interdepartmental coordination • Strengthened monitoring, reporting, and accountability systems • Enhanced transparency in decision-making	Aligns with institutional framework and performance management under PSEF
9. Climate-Resilient and Sustainable Urban Development	The PSEF integrates environmental considerations into planning and engagement, supporting Homa Bay's resilience to climate risks, especially in lakefront and urban areas.	• Promotion of green investments and sustainable practices • Improved waste management and drainage systems • Enhanced resilience of businesses to climate risks • Alignment with climate-sensitive urban planning	Linked to UIG eligible investments and climate considerations
10. Compliance with KUSP II and Access to Funding	The adoption and operationalization of the PSEF ensures that Homa Bay County meets KUSP II minimum conditions and performance standards required for funding.	• Access to Urban Development Grants (UDGs) • Improved performance in Annual Performance Aassessments (APA) • Eligibility for additional technical and financial support • Strengthened institutional capacity for sustained implementation	Direct compliance with RA4 Minimum Conditions and Performance Standards

3.0 COMPONENTS OF THE PSEF

3.1 Components of the Private Sector Engagement Framework

The Private Sector Engagement Framework (PSEF) is therefore designed as a comprehensive and operational system that institutionalizes coordinated engagement between the County Government, Urban Boards, and the private sector. In line with the KUSP II Toolkit under Result Area 4, the framework is anchored on interconnected components that ensure engagement is evidence-based, inclusive, continuous, and results-oriented.

This need is strongly informed by findings from the field assessment and stakeholder consultations, which highlight a private sector that is dynamic and resilient but operating within structural and coordination constraints. 61% of enterprises are small and micro in size, with many concentrated in local markets and operating informally with limited access to organized platforms for engagement. Participation in business associations remains low at 20%, pointing to weak collective representation, while key challenges such as high taxation, limited access to affordable business premises, inspection delays, multiple fees and levies and vandalism continue to affect business growth.

These insights underscore the importance of establishing a structured framework that not only addresses systemic constraints but also creates a more enabling, coordinated, and responsive environment for private sector participation in Homa Bay County's development.

3.1.1 Private sector database for urban boards

The establishment of a Private Sector Database in Homa Bay County addresses the need for accurate, consolidated, and accessible data on businesses to support effective planning, investment, and service delivery. The Homa Bay CIDP 2023–2027 emphasizes evidence-based planning, improved revenue systems, and the creation of an enabling environment for private sector growth objectives that are directly supported by a functional and well-managed database.

In line with the KUSP II Toolkit under Result Area 4, the database is a core component of the PSEF, designed to provide a centralized and continuously updated repository of business information, primarily anchored on Single Business Permit (SBP) data. It addresses current challenges of fragmented data and limited visibility of private sector actors, particularly given the dominance of small-scale and informal enterprises within the county.

The database will capture key business attributes including sector, size, location, employment, and operational challenges and integrate GIS mapping to support spatial planning, infrastructure investment, and economic zoning.

The database serves multiple strategic objectives:

- To map the structure of the local economy by capturing sectoral distribution, ownership patterns, and employment levels.
- To differentiate businesses by scale and market orientation, recognizing that a significant share operates in local markets, with implications for value chain development and market expansion strategies.
- To support spatial planning through GIS integration, enabling the County to align infrastructure investments with business clusters and economic corridors.
- To enhance revenue administration by improving compliance and efficiency in licensing and taxation systems.

The Urban Manager, supported by the PSEF Secretariat and County ICT and Trade Departments, will manage the database. Regular updates will be ensured through integration with licensing systems and continuous engagement with businesses.

3.1.2 Private sector diagnostic

The Private Sector Diagnostic provides a structured, evidence-based framework for assessing the business environment in Homa Bay County, anchored on the four KUSP II policy levers: institutions and regulations, infrastructure and land, skills and innovation, and enterprise support and finance. Building on the private sector database, the diagnostic translates data into actionable insights that inform policy, planning, and investment decisions.

Analysis of field data from sampled business enterprises in Homa Bay County indicates that regulatory challenges are concentrated around a few dominant areas, reflecting the day-to-day realities faced by businesses particularly MSMEs. Key issues include:

- Licensing, permits, and regulatory delays (30%) – characterized by slow approvals, multiple permits, and administrative bottlenecks
- High costs, taxes, and fees (25%) – including multiple levies, high compliance costs, and expensive renewals
- Governance and enforcement gaps (12%) – such as weak enforcement, limited transparency, and unfair practices
- Policy and regulatory uncertainty (8%) – driven by frequent changes and overlapping regulations
- Land use and infrastructure constraints (10%) – including zoning restrictions, limited business space, and compliance requirements
- Access and inclusion barriers (7%) – including low awareness, weak feedback mechanisms, and limited participation of informal sector actors

These findings highlight the operational impact of regulatory systems on businesses, particularly in terms of cost, time, and predictability.

In contrast, insights from county and municipal officials provide a system-level perspective, identifying the structural drivers behind these challenges:

- Fragmented and overlapping licensing frameworks across multiple agencies
- Bureaucratic procedures and delays in approvals and inspections
- High and sometimes uncoordinated compliance costs and levies
- Inconsistent or frequently changing regulatory policies
- Weak enforcement systems and gaps in accountability
- Land use and zoning limitations affecting business location and expansion

While the private sector highlights the effects (delays, costs, inefficiencies), county officials identify the root causes (institutional fragmentation, policy gaps, and weak systems). This alignment provides a clear and evidence-based foundation for intervention.

Implications for PSEF Implementation:

- Regulatory streamlining and digitization of licensing and permit systems to reduce delays and complexity

- Rationalization and harmonization of taxes, fees, and levies to reduce the cost burden on businesses
- Strengthening governance, transparency, and enforcement mechanisms to ensure fairness and accountability
- Policy harmonization and clarity to improve predictability and investor confidence
- Integration of spatial planning and infrastructure development with business needs
- Enhanced inclusion and communication mechanisms to ensure participation of MSMEs and informal sector actors

Overall, the perspectives from both the private and public sectors underscore the importance of a well-coordinated, structured, and evidence-driven approach through the PSEF, positioning Homa Bay County to effectively address immediate business challenges while also tackling underlying systemic issues.

The diagnostic will be undertaken on a continuous and periodic basis, leveraging data from the private sector database, stakeholder engagements, and targeted sector studies to remain relevant and responsive. This iterative process will enable the County to monitor progress, adjust interventions, and respond proactively to emerging trends and challenges.

Crucially, the diagnostic acts as a vital link between data and decision-making, with its findings directly informing:

- Integrated Development Plans (IDEPs)
- Annual Development Plans (ADPs)
- Budget allocation and investment prioritization processes

3.1.3 Public-Private Dialogue Forums (PPDF) for Urban Development

The Public-Private Dialogue Forums (PPDFs) constitute the central operational platform of the PSEF in Homa Bay County, translating data and diagnostic insights into structured engagement, joint decision-making, and coordinated action. In line with the KUSP II Toolkit under Result Area 4, the PPDF institutionalizes regular, inclusive, and results-oriented interaction between the County Government, Urban Boards, and private sector stakeholders.

In Homa Bay County, existing engagement mechanisms such as citizen fora and public participation processes provide a strong foundation for stakeholder involvement, as emphasized in the CIDP 2023–2027, which underscores inclusive and participatory development planning. However, there is an opportunity to further strengthen these mechanisms by introducing a more structured, continuous, and feedback-driven platform specifically focused on private sector engagement. The PPDF responds to this need by providing a formalized and predictable forum that enhances coordination, follow-through, and accountability.

The PPDF will be convened by the Urban Boards, with the Urban Manager serving as the Secretariat, and supported by the PSEF institutional framework. Participation will include relevant county departments (Trade, Planning, ICT, Revenue, Public Participation), private sector representatives, business associations (formal and informal), development partners, and other key stakeholders. Consistent with KUSP II guidelines, the forums will be inclusive, representative, and aligned with existing governance and public participation structures.

Structurally, the PPDF will operate through:

- Plenary Forums held at least twice annually (or quarterly where feasible), aligned with county planning and budgeting cycles
- Thematic Working Groups organized around key sectors and policy priorities such as the blue economy, agriculture, trade, transport, ICT, and urban infrastructure
- A Secretariat Function led by the Urban Manager to coordinate meetings, document outcomes, track actions, and ensure feedback loops

Through these platforms, stakeholders will:

- Deliberate on priority issues including infrastructure development, regulatory improvements, and access to finance
- Co-create solutions and agree on clear, actionable interventions
- Monitor and track implementation of agreed actions and commitments
- Provide structured feedback into county policies, plans, and service delivery processes

Priority areas for engagement in Homa Bay County include infrastructure improvements (roads, drainage, markets, and utilities), enterprise support, capacity building, and streamlining of regulatory processes aligned with CIDP priorities on economic growth and improved service delivery.

By institutionalizing structured and continuous dialogue, the PPDF strengthens transparency, accountability, and inclusivity in urban governance. It also ensures that private sector perspectives are systematically integrated into key planning instruments such as IDEPs, ADPs, and budgets.

3.1.4 Operational Resources

In line with the KUSP II Toolkit, counties are expected to allocate resources for coordination, capacity building, stakeholder engagement, and data management to operationalize the framework effectively. These operational resources underpin the functionality of key PSEF components including the private sector database, diagnostic processes, and Public-Private Dialogue Forums (PPDFs) and ensure that engagement is continuous, structured, and results-oriented.

Key operational resource requirements include:

- **Logistical support for PPDF meetings**, stakeholder consultations, and sector-specific working groups, including venues, facilitation, and documentation
- **Communication and outreach mechanisms** to enhance awareness, ensure inclusivity, and strengthen participation of both formal and informal sector actors
- **Monitoring, evaluation, and reporting systems** to track implementation progress, measure outcomes, and support adaptive management
- **Administrative and technical support** for the PSEF Secretariat, led by the Urban Manager, to coordinate activities, manage data, and ensure follow-up on agreed actions

3.1.5 Institutional arrangements and resource framework

The successful operationalization of the Private Sector Engagement Framework (PSEF) in Homa Bay County is highly dependent on clearly defined institutional roles, strong coordination mechanisms, and adequate allocation of financial, human, and technical resources. In line with the Kenya Urban Support Programme II (KUSP II) Toolkit under Result Area 4, this component ensures that the PSEF is not implemented as a standalone initiative but is fully embedded within the County's governance, planning, and budgeting systems.

The need for robust institutional arrangements is underscored by the findings of the field report, which reveal weak coordination and limited structured engagement within the private sector ecosystem. For example, 82% of businesses are not members of associations, indicating limited organization and weak channels for collective engagement. Additionally, 63% of businesses cite high taxes as a key constraint, while 59% highlight lack of access to business premises, reflecting gaps that require coordinated institutional responses across multiple departments. County officials further emphasize challenges such as fragmented engagement mechanisms, overlapping mandates, and inadequate coordination across departments.

Against this backdrop, the PSEF institutional and resource framework establishes a multi-tier structure with clearly defined roles and responsibilities, supported by a sustainable resource base.

3.1.6 Resource Framework for PSEF Implementation

The effective operationalization of the Private Sector Engagement Framework (PSEF) in Homa Bay County requires a clearly structured and sustainable resource framework that ensures the coordinated availability and efficient utilization of financial, human, and technical resources.

The framework is anchored on three core pillars:

- **Financial Resources:** Structured funding through county budgets, KUSP II grants, development partners, and private sector investments
- **Human Resources:** Skilled personnel across county departments and urban boards to support data management, stakeholder engagement, planning, and implementation
- **Technical Resources:** ICT systems, data infrastructure, analytical tools, and operational systems required for evidence-based decision-making and coordination

3.1.7 Financial Resources

Adequate and well-coordinated financing is critical for the effective implementation and sustainability of the PSEF in Homa Bay County. Financial resources are required to operationalize core components of the framework including the private sector database, diagnostic processes, Public-Private Dialogue Forums (PPDFs), capacity building, and ICT systems while ensuring continuous engagement and measurable outcomes.

In line with the Homa Bay CIDP 2023–2027, which outlines resource mobilization, budgeting, and investment priorities for economic development and service delivery, the PSEF will be anchored within existing county planning and budgeting frameworks such as the Annual Development Plans (ADPs) and sector work plans.

Key sources of financing include:

- **County Government Budget:** Primary funding through CIDP and ADPs to support coordination, staffing, stakeholder engagement, and implementation of PSEF activities
- **Urban Institutional Grants (UIGs) under KUSP II**: Targeted funding to support institutional strengthening, including development of databases, diagnostics, and PPDF platforms, as well as capacity building and technical support

- **Development Partner Support:** Technical assistance, capacity building, and programmatic support from national and international partners
- **Public-Private Partnerships (PPPs):** Mobilization of private sector investment for infrastructure, service delivery, and economic development projects
- **Own Source Revenue (OSR):** Strengthening local revenue systems to enhance sustainability of PSEF-related activities

These financing streams will be aligned and coordinated to support priority interventions identified through the diagnostic and PPDF processes.

In particular, they will facilitate targeted investments in critical infrastructure such as roads, drainage systems, markets, and utilities which are key enablers of private sector growth and urban development in Homa Bay County.

A structured financing approach, linked to planning and performance frameworks, will ensure efficient resource utilization, accountability, and long-term sustainability of the PSEF, while enhancing the County's ability to attract investment and deliver inclusive economic growth.

3.1.8 Communication and feedback channels

Robust and well-coordinated communication and feedback systems form a core pillar of the PSEF for Homa Bay County, enabling transparent information flow, strengthening trust among stakeholders, and fostering continuous, inclusive, and responsive engagement between the County Government, Urban Boards, and the private sector.

The communication and feedback framework will leverage a mix of traditional and digital channels to ensure broad outreach and inclusivity, particularly for MSMEs and informal sector actors.

Key channels will include:

- County and municipal websites and digital portals for timely dissemination of policies, plans, investment opportunities, and regulatory updates
- Public forums, PPDF meetings, and stakeholder consultations to support structured dialogue and collective decision-making
- SMS and mobile-based platforms to reach small-scale and informal businesses with limited access to internet-based tools
- Social media platforms and digital groups (e.g., WhatsApp) to facilitate real-time communication, awareness, and engagement
- Feedback and grievance redress tools such as surveys, service delivery questionnaires, suggestion mechanisms, and help desks

These channels will serve multiple strategic purposes within the PSEF:

- Enhancing access to information on county policies, programmes, and opportunities
- Providing accessible and responsive platforms for feedback, consultation, and grievance redress
- Promoting transparency and accountability in decision-making and service delivery
- Supporting continuous engagement beyond formal PPDF sessions through regular updates and two-way communication

3.1.9 ICT and Data Infrastructure

Digital systems are essential for operationalizing key components of the PSEF in Homa Bay County. The key ICT and data infrastructure investments include:

- Development and maintenance of a centralized private sector database system to capture, store, and manage comprehensive and disaggregated business data across urban areas
- Integration with existing county systems, including Single Business Permit (SBP), licensing, and revenue management platforms, to ensure data consistency, automation, and regular updates
- Adoption of Geographic Information Systems (GIS) to enable spatial mapping of businesses, economic clusters, and infrastructure needs, supporting urban planning and investment decisions
- Digital communication platforms, including county and municipal websites, SMS systems, and social media channels, to facilitate real-time engagement, outreach, and information dissemination
- Data analytics and reporting tools to support business environment diagnostics, performance tracking, and informed decision-making
- Data sharing and access protocols to ensure secure, controlled, and efficient use of data across departments and stakeholders, in compliance with relevant legal frameworks
- Capacity building for county staff and urban boards to effectively manage, analyze, and utilize digital systems and data

This ICT infrastructure is essential for ensuring timely availability of accurate data, enhancing coordination across county functions, improving service delivery, and enabling continuous, data-driven engagement with the private sector in Homa Bay County.

3.1.10 Human Resources and Technical Capacity

To ensure functionality, efficiency, and long-term sustainability, the County will strengthen institutional and technical capacity in the following priority areas:

- Data and database management capacity: Enhancing skills in data collection, validation, analysis, and reporting to support the development and effective use of the private sector database and diagnostics
- Stakeholder engagement and facilitation: Building competencies to plan, convene, and manage Public-Private Dialogue Forums (PPDFs), consultations, and multi-stakeholder processes
- PPP development and investment promotion: Strengthening expertise in project structuring, investor engagement, and mobilization of private sector participation in key sectors such as the blue economy, agriculture, trade, and urban services
- Urban planning and economic analysis: Improving capacity to integrate private sector inputs into spatial planning, IDEPs, and broader county development strategies
- Monitoring, evaluation, and performance management: Developing systems and skills to track implementation, measure outcomes, and support adaptive and results-based management
- Communication and outreach: Enhancing the ability to design and implement inclusive communication strategies that ensure continuous engagement with diverse private sector actors, including MSMEs and the informal sector

Strengthening human resources and technical capacity will be critical in ensuring that the PSEF is effectively implemented, remains responsive to emerging needs, and delivers sustained improvements in urban governance, private sector participation, and economic development outcomes in Homa Bay County.

3.1.11 Capacity building and outreach

Capacity building and outreach are critical enablers of the PSEF in Homa Bay County, ensuring that both public and private sector actors possess the knowledge, skills, and awareness required to effectively participate in, contribute to, and benefit from the framework.

Field findings and inputs from county stakeholders highlight opportunities to strengthen capacity in areas such as PPP development, regulatory processes, business management, and technical skills. Addressing these gaps will improve participation, decision-making, and implementation of agreed interventions.

Capacity building and outreach will focus on the following key areas:

Table 4: Capacity building initiatives

Focus Group	Capacity Building Programs
A. Capacity Building for Public Sector Actors	• Training on stakeholder engagement and facilitation skills to effectively manage PPDFs and inclusive dialogue processes • Strengthening data management and analytics capacity for the development and use of the private sector database and diagnostics • Capacity building in Public-Private Partnership (PPP) structuring and investment promotion to support project development and resource mobilization • Training in urban economic planning and integration of private sector inputs into CIDP, IDEPs, and spatial plans • Enhancing monitoring, evaluation, and reporting systems to track performance and inform adaptive management • Improving interdepartmental coordination and governance capacity across Trade, Planning, ICT, Revenue, and Urban departments
B. Capacity Building for Private Sector Actors	• Training in financial literacy and business management to improve enterprise sustainability and growth • Support for business formalization and regulatory compliance, including licensing and taxation processes • Development of digital and ICT skills to enhance market access, efficiency, and innovation

Focus Group	Capacity Building Programs
	• Strengthening value chain development and market linkages, particularly in key sectors such as the blue economy, agriculture, trade, and services • Facilitating access to finance and investment readiness, including engagement with financial institutions and support programs • Capacity building for business associations and cooperatives to enhance representation, coordination, and collective advocacy
C. Outreach and Awareness Creation	• Design and implementation of targeted awareness campaigns to promote understanding and uptake of the PSEF • Use of multi-channel communication platforms (community forums, SMS, social media, radio, and local networks) to reach diverse business groups • Focused outreach to MSMEs, informal sector actors, women, and youth to ensure inclusivity and equitable participation • Strengthening linkages with business associations, cooperatives, and community groups to expand engagement reach • Dissemination of information on opportunities, policies, training programmes, and support services available through the County
D. Continuous Learning and Institutional Strengthening	• Establishment of continuous learning programmes, peer exchanges, and knowledge-sharing platforms • Provision of technical assistance and mentorship programmes for both public and private sector actors • Regular assessment of capacity gaps and training needs to inform adaptive capacity development strategies

Through sustained capacity building and targeted outreach, the PSEF will foster a more informed, empowered, and coordinated ecosystem, ultimately enhancing the effectiveness, inclusivity, and impact of private sector engagement in Homa Bay County.

3.1.12 Institutional roles and responsibilities

A. County Executive Committee (CEC) and County Leadership

The County Executive Committee (CEC) and broader county leadership provide the highest level of strategic oversight and policy direction for the implementation of the PSEF in Homa Bay County. Their leadership is central to securing political commitment, mobilizing resources, and embedding the framework within the county's development agenda in line with county policies.

In this capacity, the CEC ensures that private sector engagement is institutionalized as a core pillar of economic planning, investment promotion, and urban development.

Key responsibilities include:

- Approval and formal adoption of the PSEF as a county framework, providing the legal and policy basis for its implementation
- Providing strategic policy direction on private sector development, investment promotion, and ease of doing business reforms
- Ensuring alignment and integration of the PSEF with county planning instruments, including CIDP, ADPs, IDEPs, and sector strategies
- Allocating and mobilizing financial resources through the county budget and leveraging KUSP II grants and development partner support
- Championing regulatory and institutional reforms to address key constraints identified through diagnostics and PPDFs, including taxation, licensing inefficiencies, and compliance burdens
- Strengthening interdepartmental coordination to ensure a whole-of-government approach to private sector engagement
- Providing oversight and accountability for implementation progress through performance monitoring and reporting mechanisms
- Advocating for private sector participation and fostering partnerships with investors, business associations, and development partners

This leadership role is particularly critical in addressing systemic issues affecting the business environment such as high cost of doing business, regulatory complexity, and coordination gaps by translating diagnostic findings into policy action and ensuring sustained implementation of agreed reforms.

B. County Departments (Trade, Finance, Planning, ICT, Urban Development)

County line departments are the primary implementation arms of the PSEF in Homa Bay County, responsible for translating policy direction and diagnostic findings into sector-specific actions, programmes, and services. Their coordinated role ensures that private sector priorities are effectively integrated into planning, budgeting, and service delivery systems of the county.

Each department contributes to addressing key business environment constraints such as regulatory inefficiencies, infrastructure gaps, and limited access to services through the following roles:

Table 5: Roles of County Departments in PSEF Implementation

Department	Key Roles in PSEF Implementation
Trade	• Oversees business licensing and regulatory processes, including streamlining and digitization of permits • Leads investment promotion, enterprise development, and support to MSMEs and informal sector actors

Department	Key Roles in PSEF Implementation
	• Facilitates linkages with business associations, cooperatives, and markets
Finance (Revenue & Economic Planning)	• Develops and implements tax policy, fees, and revenue administration systems • Aligns PSEF priorities with budgeting processes (ADPs and annual budgets) • Enhances revenue efficiency while ensuring a fair and predictable tax environment
Planning	• Integrates private sector inputs into CIDP, IDEPs, and spatial plans • Supports evidence-based planning through data analysis and coordination of the private sector diagnostic • Aligns sector priorities with long-term economic development strategies
ICT	• Develops, manages, and maintains the private sector database and digital platforms • Supports integration with systems such as SBP and revenue platforms, including data analytics • Strengthens communication channels for outreach, feedback, and real-time engagement
Urban Development	• Leads planning and implementation of urban infrastructure and service delivery (roads, markets, drainage, utilities) • Aligns infrastructure investments with private sector needs and economic clusters • Supports spatial planning, zoning, and development control in urban areas

Cross-cutting role

All departments collaborate through the PSEF coordination structure (CPCT and Urban Boards) to ensure integrated planning, resource alignment, and coordinated implementation of interventions arising from diagnostics and Public-Private Dialogue Forums (PPDFs).

Through this coordinated approach, county departments play a central role in addressing key constraints identified in the field assessment, particularly infrastructure deficits, regulatory inefficiencies at 56%, and service delivery gaps 47%, while strengthening the overall business environment and supporting inclusive economic growth in Homa Bay County.

C. County Project Coordination Team (CPCT)

The CPCT serves as the central technical coordination and oversight unit for the implementation of the PSEF under KUSP II in Homa Bay County. It ensures that all PSEF components are planned, executed, and monitored in a coordinated, compliant, and results-oriented manner across county departments and urban areas.

Key roles and responsibilities include:

- Coordinating cross-departmental implementation of the PSEF, ensuring alignment between Trade, Planning, Finance, ICT, Urban Development, and other relevant units
- Developing and consolidating annual work plans and budgets, integrating PSEF activities into ADPs and sector plans
- Tracking performance and ensuring compliance with KUSP II minimum conditions and performance standards, particularly under Result Area 4
- Providing technical backstopping and capacity support to Urban Boards, Municipal Managers, and departmental teams in implementing PSEF components
- Overseeing the establishment and operationalization of core PSEF elements, including the private sector database, diagnostic processes, and Public-Private Dialogue Forums (PPDFs)
- Facilitating monitoring, evaluation, and reporting, including preparation of progress reports and support for Annual Performance Assessments (APA)
- Coordinating stakeholder engagement and communication between county leadership, urban boards, and private sector actors
- Mobilizing and aligning resources, including KUSP II grants and partner support, to ensure effective implementation

Through this coordination role, the CPCT ensures that the PSEF is implemented as an integrated, compliant, and performance-driven framework, strengthening institutional capacity and enabling Homa Bay County to meet KUSP II and other Development Partners while improving private sector engagement outcomes.

D. Urban Boards (Municipal Boards)

Urban Boards are the primary implementation anchors of the PSEF at the municipal level in Homa Bay County. They provide the institutional link between private sector engagement, urban planning, and service delivery, ensuring that local economic priorities are translated into actionable plans and investments in line with KUSP II and other Development Partners.

Key roles and responsibilities include:

- Adopting and operationalizing the PSEF through formal board resolutions and embedding it within municipal strategies and work plans
- Convening and chairing Public-Private Dialogue Forums (PPDFs), ensuring inclusive, structured, and regular engagement with businesses and stakeholders
- Integrating private sector priorities into municipal planning instruments, including Integrated Development Plans (IDEPs), annual work plans, and budgets
- Overseeing implementation of PSEF components, including the private sector database, diagnostics, and stakeholder engagement processes
- Monitoring and tracking agreed actions from PPDFs, ensuring follow-through and timely implementation of interventions
- Strengthening accountability and transparency, including documentation, reporting, and feedback to stakeholders
- Facilitating coordination with county departments to align infrastructure investments, regulatory reforms, and service delivery with private sector needs
- Promoting an enabling business environment by addressing local constraints related to licensing, infrastructure, and service provision

Through these roles, Urban Boards ensure that private sector engagement is institutionalized at the municipal level, responsive to local economic dynamics, and effectively linked to urban development outcomes.

E. Urban Manager and PSEF Secretariat

The Urban Manager, supported by a dedicated PSEF Secretariat, is responsible for the day-to-day operationalization, coordination, and reporting of the PSEF at the municipal level in Homa Bay County. In line with the KUSP II Toolkit, this function is central to ensuring that all components of the framework; database, diagnostics, and Public-Private Dialogue Forums (PPDFs) are effectively implemented, monitored, and continuously improved.

Table 6: Roles of Urban Manager and PSEF Secretariat

Functional Area	Key Roles and Responsibilities
Planning and Coordination	• Prepare annual PSEF work plans, budgets, and implementation schedules aligned with municipal and county planning cycles • Coordinate execution of PSEF activities across departments, stakeholders, and partners
Private Sector Database Management	• Establish, maintain, and regularly update the private sector database using SBP and other data sources • Ensure data quality, validation, analysis, and reporting to inform planning and decision-making • Facilitate data sharing with relevant county departments and stakeholders
PPDF Coordination and Facilitation	• Organize and convene PPDF meetings, including logistics, agendas, documentation, and stakeholder invitations • Support thematic working groups and ensure inclusive

Functional Area	Key Roles and Responsibilities
	participation across sectors and interest groups • Record proceedings, track resolutions, and maintain action logs
Private Sector Diagnostic Implementation	• Coordinate and manage the diagnostic process, including preparation of Terms of Reference (ToRs), stakeholder engagement, and consultant management (where applicable) • Compile and present findings to the Urban Board and stakeholders • Ensure integration of diagnostic recommendations into planning and policy processes
Communication and Stakeholder Engagement	• Implement communication and outreach strategies to raise awareness and promote participation in the PSEF • Maintain continuous engagement with private sector actors, including MSMEs, associations, and informal groups • Manage feedback and grievance redress mechanisms
Monitoring, Evaluation, and Reporting	• Track implementation of agreed actions from PPDFs and other engagements • Prepare periodic progress reports for Urban Boards, CPCT, and County leadership • Support performance tracking in line with KUSP II indicators and Annual Performance Assessments (APA)
Capacity Building and Technical Support	• Coordinate training programmes, knowledge-sharing, and technical assistance for both public and private sector actors • Identify capacity gaps and facilitate targeted interventions
Institutional Coordination and Compliance	• Liaise with CPCT, county departments, and development partners to ensure alignment and resource mobilization • Ensure compliance with KUSP II performance standards and reporting requirements

The establishment of a functional and well-resourced PSEF Secretariat is critical for ensuring continuity, coordination, and institutional memory. It addresses existing fragmentation in engagement mechanisms by providing a consistent platform for implementation, follow-up, and sustained interaction between the County Government and the private sector.

F. Private Sector Actors and Business Associations

Private sector actors including MSMEs, large enterprises, cooperatives, and informal businesses—are central to the success of the PSEF in Homa Bay County. They serve both as primary beneficiaries of an improved business environment and as active partners in shaping policies, investments, and service delivery. In line with the KUSP II Toolkit, their structured participation is essential for ensuring that urban planning and economic development are responsive to real market conditions.

Key roles and responsibilities include:

- Active participation in PPDFs and engagement platforms to articulate business needs, contribute to dialogue, and co-create solutions
- Provision of data and market intelligence to inform the private sector database, diagnostics, and evidence-based planning processes
- Identification of priority constraints and opportunities, including regulatory, infrastructure, and market challenges, and proposing practical solutions
- Collaboration with county and urban institutions in the design and implementation of policies, programmes, and investment initiatives
- Investment in economic activities, including business expansion, innovation, and job creation across key sectors such as agriculture, trade, blue economy, and services
- Compliance with regulatory frameworks and participation in formal systems such as licensing, taxation, and data reporting

Role of Business Associations and Collective Platforms:

Business associations, cooperatives, and sector groups play a critical intermediary role by organizing enterprises, consolidating voices, and enhancing structured engagement. However, field findings indicate that a significant proportion of businesses operate outside formal associations, limiting effective representation and coordination.

To address this, the PSEF places strong emphasis on:

- Strengthening existing business associations and supporting the formation of new ones, particularly for MSMEs and informal sector actors
- Enhancing collective representation and advocacy, enabling businesses to engage more effectively in policy dialogue
- Facilitating accreditation and structured participation of associations in PPDFs and planning processes
- Promoting inclusive participation, ensuring representation of women, youth, and marginalized groups

Through these roles, private sector actors and their associations contribute to a more coordinated, inclusive, and responsive engagement ecosystem, ultimately supporting improved service delivery, increased investment, and sustainable economic growth in Homa Bay County.

G. Development Partners and National Government Agencies

Development partners and national government agencies play a critical enabling role in the implementation of the PSEF in Homa Bay County by providing policy alignment, technical assistance, financing, and quality assurance. Their involvement ensures that county-level interventions are consistent with national priorities, global best practices, and results-based frameworks such as KUSP II. Drawing from experience in donor-funded programmes across national, sub national and local governments (e.g., KUSP, KDSP, World Bank urban programmes, UN-Habitat initiatives), effective support is typically anchored on institutional strengthening, systems development, and sustainability rather than parallel structures.

Key roles and responsibilities include:

• Policy guidance and alignment

- Ensure coherence with national frameworks such as the Urban Areas and Cities Act, Vision 2030, National Urban Development Policy, and sectoral strategies
- Support harmonization of county regulations with national standards to improve the ease of doing business

• Technical assistance and capacity building

- Provide expertise in areas such as PPP structuring, urban planning, data systems, investment promotion, and regulatory reform
- Support development of core PSEF components including private sector databases, diagnostics, and PPDF systems
- Facilitate institutional strengthening of CPCTs, Urban Boards, and Secretariats

• Financing and resource mobilization

- Provide funding through instruments such as Urban Institutional Grants (UIGs) and other programme-based support
- Co-finance infrastructure, service delivery improvements, and capacity-building initiatives
- De-risk investments and catalyze private sector participation through blended finance approaches

• Knowledge sharing and best practices

- Facilitate peer learning across counties, study tours, and exchange platforms
- Disseminate tools, templates, and operational guidelines aligned with KUSP II and global best practice
- Support innovation in areas such as digital governance, climate resilience, and inclusive urban development

• Monitoring, evaluation, and performance oversight

- Support development of results-based monitoring systems aligned with KUSP II indicators and Annual Performance Assessments (APA)
- Provide independent verification and technical reviews to strengthen accountability and performance.

3.2 Enablers for Effective and Sustained PSEF Implementation

Effective and sustained private sector engagement in Homa Bay County is anchored on a combination of institutional strength, structured systems, continuous communication, and demonstrable value creation, all embedded within county governance and planning frameworks in line with KUSP II requirements. Evidence from the filed report reveals that, while notable constraints exist, there are also strong positive foundations that can be leveraged to support sustainable PSEF implementation.

A key enabling factor is the growing awareness and clear demand for engagement within the private sector, with approximately 57% of businesses already aware of existing platforms and a strong preference for regular interaction (53% quarterly, 40% monthly). This reflects a solid foundation upon which the County can build, demonstrating that businesses are not only receptive but increasingly interested in structured and predictable engagement.

To harness this momentum, Homa Bay County can strengthen and formalize these interactions by institutionalizing engagement mechanisms—particularly through Public-Private Dialogue Forums (PPDFs) supported by a functional PSEF Secretariat. Integrating these structures into CIDP, ADPs, and IDEPs will ensure that engagement evolves from intermittent activities into a consistent, accountable, and embedded governance function, ultimately enhancing collaboration and decision-making.

Another critical enabler is the preference for accessible and real-time communication channels, with 36% of businesses favoring WhatsApp, 26% public forums, and 25% SMS platforms. This provides a strong foundation for developing an integrated, multi-channel communication strategy. However, the finding that 68% of businesses are unaware of business development services highlights the need to strengthen information dissemination. Establishing coordinated digital and physical communication systems, alongside structured feedback and grievance redress mechanisms, will enhance transparency, participation, and trust.

The field data also highlights the importance of perceived value in sustaining engagement, with 37% of businesses motivated by tangible benefits such as access to finance, improved infrastructure, and policy influence. This underscores the need for the County to prioritize quick wins and visibly implement agreed actions, while systematically documenting and communicating outcomes. Linking PPDF discussions to real improvements in licensing, infrastructure, and service delivery will reinforce confidence and sustain participation.

Infrastructure and service delivery performance further act as both an enabler and a signal of government responsiveness. While 34–42% of businesses rate services as good and 15–21% as very good, challenges remain, particularly with 59% reporting limited access to affordable business premises.

This presents an opportunity for Homa Bay County to align infrastructure investments with private sector needs through diagnostics, spatial planning, and PPPs, thereby strengthening both economic productivity and stakeholder confidence.

Capacity development also emerges as a key enabler. The datasets show that 39% of businesses face skills gaps, while only 54% have access to training and innovation support. At the same time, institutional capacity gaps exist in areas such as data management, PPP structuring, and stakeholder facilitation. Addressing these through targeted capacity-building programmes, technical assistance, and continuous learning systems will improve both the quality of engagement and the effectiveness of implementation.

Finally, strengthening private sector organization and representation is essential. With over 80% of businesses not affiliated to associations, engagement remains fragmented and less impactful. Supporting the formation and strengthening of business associations, cooperatives, and sector groups will enhance collective voice, improve coordination, and provide a more structured interface for dialogue and policy influence.

Strategic Enablers for Sustainable PSEF Implementation

To ensure long-term sustainability and impact, Homa Bay County should prioritize the following enabling strategies:

- Institutionalization: Embed PSEF structures (PPDFs, Secretariat, coordination units) within formal governance and planning systems
- Structured Engagement: Establish predictable engagement cycles aligned with planning and budgeting processes
- Integrated Communication Systems: Leverage digital platforms and community channels to ensure continuous, inclusive communication
- Results-Oriented Implementation: Deliver and communicate tangible outcomes to sustain stakeholder interest
- Infrastructure Alignment: Prioritize investments that directly support business growth and economic clusters
- Capacity Strengthening: Build technical and institutional capacity across both public and private sectors
- Strengthened Representation: Support business associations to enhance collective engagement and advocacy
- Data-Driven Systems: Utilize the private sector database and diagnostics for evidence-based decision-making

By leveraging these enablers, many of which are already partially in place, Homa Bay County can transform private sector engagement into a structured, inclusive, and results-driven system, ensuring that the PSEF delivers sustained economic growth, improved service delivery, and stronger public-private collaboration.

3.3 Challenges, Risks and Mitigation strategies

The implementation of the PSEF in Homa Bay County is informed by a comprehensive analysis of both enterprise-level experiences and institutional perspectives, which together highlight a range of interrelated challenges and risks that may affect the effectiveness, inclusivity, and sustainability of the framework.

These risks cut across key thematic areas, including governance and coordination, financing, infrastructure, communication, informality, capacity, data systems, and long-term sustainability, and reflect both operational constraints faced by businesses and systemic limitations within county institutions. The convergence of these perspectives provides a strong evidence base for identifying priority risk areas and designing targeted, practical responses.

This section therefore presents a structured analysis of the key challenges and risks associated with PSEF implementation, alongside corresponding mitigation strategies aligned with the KUSP II framework, national policy and legal provisions, and the Homa Bay County planning context.

The aim is to ensure that the PSEF is implemented as a resilient, adaptive, and results-driven framework, capable of addressing both immediate constraints and underlying structural issues while supporting sustained private sector engagement and economic development.

3.3.1 Institutional and Governance Challenges and Risks

The implementation of the PSEF in Homa Bay County is constrained by institutional and governance challenges, with field data indicating governance and enforcement gaps (52%) and access and inclusion barriers (47%) as major concerns. These reflect limited transparency, weak feedback systems, inconsistent enforcement, and fragmented engagement approaches across departments. County and municipal stakeholders further point to unclear mandates, overlapping roles, and weak coordination mechanisms, resulting in duplication of efforts, delays in decision-making, and limited follow-through on agreed actions. Consequently, private sector inputs are not consistently integrated into planning and budgeting processes, despite strong demand for engagement.

To mitigate these risks, the PSEF adopts a structured, system-based approach aligned with KUSP II, including:

- Clarifying institutional roles and mandates across the County Executive, CPCT, Urban Boards, and sector departments
- Strengthening coordination mechanisms through technical working groups and interdepartmental collaboration
- Institutionalizing PPDFs as formal platforms for structured dialogue, accountability, and follow-up
- Mainstreaming PSEF into CIDP, ADPs, and IDEPs to ensure sustainability and alignment with county priorities
- Establishing a functional PSEF Secretariat and focal points to enhance continuity, coordination, and ownership
- Strengthening monitoring, reporting, and capacity systems to improve transparency and performance

Addressing these governance challenges will enable Homa Bay County to transition from fragmented engagement to a more coherent, accountable, and institutionalized system, ultimately enhancing the effectiveness and impact of private sector engagement.

3.3.2 Financial Constraints and Resource Mobilization Risks

Financial constraints pose a critical risk to the effective and sustained implementation of the PSEF in Homa Bay County. Evidence from enterprise data indicates that high cost of doing business (25%) driven by taxes, fees, and compliance costs, limits business growth, investment, and formalization, particularly among MSMEs. At the same time, county and municipal stakeholders highlight limited fiscal space, competing budget priorities, and inadequate funding for infrastructure and engagement activities. This reflects a dual challenge: businesses face affordability constraints, while the County faces resource limitations in delivering enabling infrastructure and systems.

These constraints create interrelated risks, including:

- Limited ability to operationalize core PSEF components such as the private sector database, diagnostics, and PPDFs
- Inadequate financing for critical infrastructure (markets, roads, drainage, utilities), which directly affects private sector productivity
- Over-reliance on external and donor funding, raising concerns about long-term sustainability
- Inefficiencies in revenue systems, which may discourage compliance and reduce overall resource mobilization

Mitigation Strategies

To address these risks, the PSEF adopts a diversified, structured, and sustainable resource mobilization approach, aligned with the Homa Bay CIDP 2023–2027, the Public Finance Management Act (2012), and KUSP II requirements:

• Mainstream PSEF into planning and budgeting frameworks

- Integrate PSEF priorities into CIDP, ADPs, IDEPs, and sector plans to ensure sustained funding
- Align engagement activities with annual budget cycles and development priorities

• Establish dedicated budget allocations

- Create specific budget lines for PSEF coordination, stakeholder engagement, data systems, and capacity building
- Ensure predictable funding for PPDFs and operational activities

• Strengthen own-source revenue (OSR) systems

- Digitize revenue collection and licensing systems to improve efficiency and compliance

- Simplify and rationalize fees and levies to reduce the burden on businesses while enhancing revenue predictability

• Leverage Public-Private Partnerships (PPPs)

- Mobilize private investment in infrastructure such as markets, industrial parks, and urban services
- Use PPP frameworks to de-risk investments and accelerate project implementation

• Utilize KUSP II funding mechanisms

- Access Urban Institutional Grants (UIGs) to support institutional strengthening, data systems, and engagement platforms
- Align PSEF performance with KUSP II indicators to unlock additional funding

• Mobilize development partner support

- Leverage technical assistance and catalytic funding for capacity building, innovation, and system development
- Align donor support with county priorities to avoid fragmentation

• Improve expenditure efficiency and coordination

- Strengthen financial planning, monitoring, and reporting systems
- Enhance coordination between departments to avoid duplication and optimize resource use

3.3.3 Infrastructure Deficits and Urban Development Risks

Infrastructure deficits remain a key constraint to private sector growth in Homa Bay County. Enterprise data shows that infrastructure and land-related challenges (10%), combined with the broader cost of doing business (25%), are driven by inadequate markets, poor roads, weak drainage systems, and unreliable utilities.

County stakeholders further highlight systemic gaps in urban infrastructure and weak alignment between spatial planning and economic priorities. These constraints increase operational costs, limit business expansion, reduce competitiveness, and weaken the County's attractiveness to investors.

To mitigate these risks, the PSEF adopts a targeted and coordinated approach:

- Prioritizing infrastructure needs through diagnostics and PPDFs
- Aligning investments with CIDP, IDEPs, and spatial plans to support economic clusters
- Focusing on high-impact infrastructure such as markets, roads, drainage, and utilities
- Leveraging PPPs and KUSP II funding (RA2/UIGs) to mobilize resources
- Strengthening interdepartmental coordination for integrated planning and delivery

This approach ensures that infrastructure development is demand-driven, better coordinated, and directly supports private sector growth and urban competitiveness in Homa Bay County.

3.3.4 Communication and Stakeholder Engagement Risks

Communication and stakeholder engagement gaps pose a significant risk to the effectiveness of the PSEF in Homa Bay County.

Evidence from the data shows that governance and enforcement gaps (52%) partly driven by communication weaknesses, reflect ineffective feedback loops, limited transparency, and inconsistent information flow between the County and the private sector. These challenges manifest in low awareness of engagement platforms, weak feedback mechanisms, and limited participation, particularly among MSMEs and informal sector actors.

This is further reinforced by county and municipal stakeholders, who highlight fragmented communication channels, uncoordinated information dissemination, and the absence of structured grievance redress systems.

Collectively, these gaps result in low stakeholder participation, misalignment between business expectations and government actions, and diminished trust in public institutions, ultimately undermining the effectiveness and inclusivity of private sector engagement.

To address these risks, the PSEF strengthens communication and engagement systems through:

- Establishing integrated communication platforms (digital and physical) for continuous information sharing and outreach
- Institutionalizing PPDFs as structured and regular engagement forums with clear feedback loops
- Developing functional grievance redress and feedback mechanisms to enhance responsiveness and accountability
- Ensuring timely dissemination of information on policies, plans, opportunities, and engagement outcomes
- Targeted outreach to MSMEs, informal sector, women, and youth to enhance inclusivity and participation

These measures, aligned with the Access to Information Act (2016), promote transparency, strengthen trust, and ensure that private sector engagement in Homa Bay County is continuous, inclusive, and responsive.

3.3.5 Informality and Private Sector Representation Risks

Findings from the field report show non-affiliation to business associations remains a significant challenge, with over 80% of enterprises not belonging to any formal association, reflecting weak collective organization and limited representation in policy dialogue. In addition, approximately 58% of businesses operate within local markets, indicating low scalability and limited integration into formal value chains, characteristics commonly associated with informal or semi-formal enterprises.

From the institutional perspective, county and municipal stakeholders consistently identify the high prevalence of informal and unregistered businesses, weak business associations, and limited participation of MSMEs in formal planning and engagement processes as key structural constraints. As a result, a substantial portion of the private sector operates outside formal systems, reducing its visibility in data, planning, and policy engagement, and limiting its access to support programmes.

These conditions present several risks for PSEF implementation. Informal businesses are often underrepresented in Public-Private Dialogue Forums (PPDFs), reducing the inclusivity and effectiveness of engagement. Informality also constrains revenue mobilization and regulatory compliance, limits access to finance and markets, and makes it difficult for the County to design targeted and evidence-based interventions. Furthermore, weak business associations undermine the ability of enterprises to engage collectively, advocate for their interests, and influence policy outcomes.

To address these challenges, the PSEF adopts a structured and inclusive approach:

- Promote business formalization through simplified, affordable, and digitized registration and licensing processes
- Strengthen business associations, cooperatives, and sector groups to enhance coordination, representation, and collective advocacy
- Design inclusive engagement mechanisms, including PPDFs and targeted outreach, to actively incorporate MSMEs and informal sector actors
- Enhance awareness and capacity building to improve understanding of regulatory processes, benefits of formalization, and participation opportunities
- Link informal businesses to opportunities in finance, markets, training, and value chains

By addressing informality and strengthening representation, Homa Bay County will broaden participation, improve the visibility of the private sector, and ensure that engagement processes are more inclusive, responsive, and impactful.

3.3.6 Capacity and Institutional Strengthening Risks

Capacity limitations across both the public and private sectors present a significant risk to the effective implementation of the PSEF in Homa Bay County.

Triangulation of the enterprise and county official findings from field data shows that capacity constraints are both significant and cross-cutting. Approximately 48% of identified challenges are directly associated with capacity and inclusion gaps, particularly relating to limited skills, awareness, and participation among private sector actors. In addition, an estimated 52% of governance and regulatory challenges are indirectly linked to institutional capacity weaknesses, including gaps in coordination, enforcement, and administrative efficiency. From the institutional perspective, county and municipal stakeholders further emphasize deficiencies in technical expertise, data management, stakeholder facilitation, and coordination, especially in critical areas such as diagnostics, PPP development, and monitoring systems.

These capacity limitations present several risks to effective PSEF implementation. Weak technical capacity may compromise the quality and reliability of the private sector database and diagnostic processes, thereby constraining evidence-based decision-making. Limited facilitation skills can reduce the effectiveness of PPDFs, affecting the depth of dialogue and stakeholder participation. Furthermore, inadequate institutional capacity may result in weak implementation and limited follow-through of agreed actions, ultimately undermining the credibility, responsiveness, and overall impact of the PSEF.

To mitigate these risks, the PSEF adopts a comprehensive and continuous capacity strengthening approach:

- Targeted capacity building for county departments, CPCT, Urban Boards, and Secretariat staff in areas such as data management, stakeholder engagement, urban planning, and monitoring and evaluation
- Technical support for core PSEF components, including development and management of the private sector database, diagnostics, and PPP frameworks
- Training for private sector actors, particularly MSMEs and informal businesses, in business management, financial literacy, digital skills, and regulatory compliance
- Strengthening facilitation and coordination skills to improve the effectiveness of PPDFs and stakeholder engagement processes
- Continuous learning, peer exchange, and knowledge-sharing programmes to build institutional memory and adaptability

By strengthening both institutional and technical capacity, Homa Bay County will enhance the quality of engagement, improve implementation efficiency, and ensure that the PSEF delivers sustained and measurable outcomes in private sector development.

3.3.7 Data and Information Management Risks

Effective implementation of the PSEF in Homa Bay County depends on reliable, timely, and well-managed data. However, evidence from both datasets points to significant gaps in data and information systems. From the field data perspective, access and inclusion barriers (47%) reflect limited awareness, weak feedback mechanisms, and poor information flow, indicating gaps in how data is collected, shared, and utilized. From the institutional side, county stakeholders highlight fragmented, largely manual data systems, weak data integration across departments, and limited analytical capacity, which constrain evidence-based planning and decision-making.

These challenges create several risks for PSEF implementation. Reliance on manual and uncoordinated data systems may lead to incomplete or inaccurate representation of the private sector, affecting prioritization of interventions. Weak data integration limits the County's ability to align planning, budgeting, and investment decisions with real economic needs. In addition, inadequate data systems undermine monitoring, evaluation, and performance tracking, making it difficult to assess progress and adjust interventions effectively.

To mitigate these risks, the PSEF adopts a structured, data-driven approach aligned with KUSP II requirements:

- Establishing a comprehensive private sector database anchored on SBP and other administrative systems to provide accurate and up-to-date business information
- Digitizing data collection and management systems, including integration across licensing, revenue, and planning platforms
- Strengthening data governance and sharing protocols to ensure consistency, accessibility, and security across departments

- Building capacity in data analysis and utilization to support diagnostics, planning, and decision-making
- Integrating data into key planning and budgeting processes (CIDP, ADPs, IDEPs) to ensure evidence-based interventions
- Enhancing monitoring and evaluation systems through real-time reporting and performance tracking tools

By strengthening data and information management systems, Homa Bay County will improve the accuracy of decision-making, enhance coordination across institutions, and ensure that the PSEF is implemented as a responsive, evidence-based, and results-driven framework.

3.3.8 Sustainability and Long-Term Engagement Risks

Sustaining stakeholder engagement over time presents a critical risk to the effectiveness of the PSEF in Homa Bay County. Evidence from the field data highlights access and inclusion barriers (47%) and governance and feedback gaps (52%), pointing to limited awareness, weak communication systems, and insufficient feedback on outcomes. These conditions may lead to declining participation, particularly among MSMEs and informal sector actors, if engagement processes do not consistently translate into visible and meaningful results.

From an institutional perspective, reliance on ad hoc processes, limited institutionalization, and inconsistent follow-through further threatens the continuity and credibility of engagement efforts.

To mitigate these risks, the PSEF adopts a structured and sustainability-focused approach. Priority is placed on demonstrating tangible results through timely implementation of agreed actions, thereby reinforcing stakeholder confidence.

The framework will be fully integrated into county planning and governance systems, including CIDP, ADPs, and IDEPs, to ensure continuity beyond project cycles. Strengthened feedback and accountability mechanisms, including systematic tracking and reporting of PPDF resolutions, will enhance transparency and responsiveness.

In addition, the PSEF emphasizes continuous and inclusive communication, utilizing both digital and community-based platforms to maintain engagement across diverse stakeholder groups. Targeted capacity building and strengthening of business associations will support sustained participation and collective representation, while sustainable financing mechanisms. through county budgets, KUSP II funding, and PPPs, will ensure long-term viability. Finally, the establishment of robust monitoring and learning systems will enable the County to track progress, adapt interventions, and institutionalize best practices.

Through these measures, Homa Bay County will be able to sustain engagement, strengthen trust, and position the PSEF as a durable and results-driven platform for public-private collaboration and economic development.

3.4 Performance and accountability framework

The Performance and Accountability Framework for the PSEF in Homa Bay County is designed to ensure that private sector engagement is not only continuous and structured, but also results-oriented, transparent, and accountable, in line with KUSP II (RA4 & PS11) and national legal frameworks such as the Constitution of Kenya (2010), County Governments Act (2012), Urban Areas and Cities Act (2011, amended 2019), Public Finance Management Act (2012), and Access to Information Act (2016).

The Performance and Accountability Framework is anchored on a Results-Based Management (RBM) approach, ensuring that engagement translates into measurable improvements in the business environment. Unlike current systems, which are largely activity-driven, the PSEF introduces a structure that links:

Dialogue → **Decisions** → **Implementation** → **Outcomes**

The Guiding Principles are founded from Global & National Best Practice:

- **Results Orientation (OECD & World Bank RBM models):** Focus on outcomes and impact, not just activities
- **Transparency & Open Governance:** In line with the Access to Information Act (2016)
- **Participatory Governance**: Anchored in the Constitution of Kenya (2010)
- **Data-Driven Decision-Making:** Supported by digital systems and diagnostics
- **Adaptive Management:** Continuous learning and responsiveness to change

3.4.1 Results-Based Performance Measurement Framework

The PSEF adopts a four-tier performance model**:**

Table 7: PSEF Performance Model

Level	Focus	Application
Inputs	Resources (budget, staff, ICT systems)	Budget allocations in ADPs; UIG utilization
Outputs	Activities (PPDFs, diagnostics)	Number of forums, database updates
Outcomes	Changes in systems and behavior	Improved licensing efficiency, stakeholder satisfaction

Level	Focus	Application
Impact	Long-term economic change	Investment growth, job creation, competitiveness

This directly addresses the current gap where engagement exists but outcomes are not systematically tracked**.**

3.4.2 Monitoring, Evaluation, and Reporting Systems

A strong Monitoring, Evaluation, and Reporting (MER) system is essential for ensuring that the PSEF in Homa Bay County is data-driven, accountable, and results-oriented. Current gaps, particularly manual systems, fragmented data, and limited feedback mechanisms identified in both datasets, necessitate a shift toward integrated digital systems.

Key Enhancements:

- Establish a centralized digital private sector database linked to SBP and county systems
- Develop standardized M&E tools and reporting templates for consistency and quality
- Integrate PSEF indicators into CIDP, ADPs, IDEPs, and county M&E frameworks
- Deploy real-time dashboards to support timely decision-making and transparency

The proposed approach is aligned with KUSP II performance requirements, global World Bank results-based management frameworks, and the Public Finance Management Act (2012), ensuring consistency with both national and international best practices. By strengthening these systems, Homa Bay County will enhance data accuracy, institutional coordination, transparency, and adaptive management, thereby enabling the PSEF to function as a responsive, efficient, and performance-driven framework that delivers measurable and sustained outcomes.

Strategic Value: These improvements will enhance data accuracy, coordination, transparency, and adaptive management, enabling Homa Bay County to implement the PSEF as a responsive and performance-driven system.

3.4.3 Transparency, Public Disclosure, and Social Accountability

Transparency within the PSEF will be strengthened through structured disclosure and open communication systems that ensure stakeholders have timely and accessible information on decisions, performance, and outcomes. This includes public access to performance reports and digital dashboards, proactive dissemination of key decisions and progress updates, and the application of open data principles to enhance visibility of private sector information and engagement outcomes.

These measures are anchored in the Access to Information Act (2016) and the Constitution of Kenya (2010), which emphasize transparency, accountability, and meaningful public participation in governance.

Outcome: As a result, the PSEF will promote greater accountability, informed participation, and credibility of engagement processes.

3.4.4 Feedback, Learning, and Adaptive Management

The PSEF embeds continuous feedback and learning mechanisms to ensure that engagement remains responsive and results-oriented. This includes the systematic collection of stakeholder feedback through PPDFs and other platforms, structured documentation of issues and resolutions, and the integration of these insights into planning, policy, and implementation processes.

Regular learning cycles, through reviews, performance assessments, and stakeholder consultations, will enable the County to refine interventions, address emerging challenges, and improve effectiveness over time.

This approach aligns with global best practices in adaptive governance (UNDP, OECD), which emphasize flexibility, evidence-based adjustments, and continuous improvement.

Outcome: A dynamic and responsive PSEF that evolves with stakeholder needs, strengthens trust, and enhances the quality and impact of private sector engagement.

3.4.5 Integration with Planning and Budgeting Systems

The PSEF Performance and Accountability Framework is fully integrated with Homa Bay County's planning and budgeting architecture to ensure that private sector engagement directly informs development outcomes.

Performance is aligned with key instruments, including the CIDP 2023–2027 (notably priorities such as industrialization and lakefront development), Annual Development Plans (ADPs), as well as Municipal IDEPs and the Spatial Plan. This alignment ensures that engagement outputs are not isolated activities but are embedded within the County's broader economic and spatial development agenda.

Guidelines:

- Utilize performance data and diagnostic insights to guide resource allocation, budgeting decisions, and investment prioritization
- Ensure that PSEF outputs and stakeholder inputs are systematically translated into projects, programmes, and policy actions
- Align all interventions with the County's economic transformation goals, including enterprise growth, infrastructure development, and investment promotion

Outcome: A coherent and evidence-based system where planning, budgeting, and private sector engagement are fully synchronized, leading to more efficient resource use and stronger development impact.

3.4.6 Risk Monitoring and Accountability

The PSEF integrates a proactive and structured risk management approach to safeguard effective implementation and ensure accountability across all components. This involves the systematic identification and tracking of risks related to financing, infrastructure delivery, institutional coordination, and stakeholder engagement areas highlighted in the datasets as key constraints.

Risk management is embedded within the performance system by integrating mitigation measures into regular performance reviews, ensuring that emerging challenges are addressed in a timely and coordinated manner. In addition, the framework provides for periodic risk assessments and audits, aligned with KUSP II standards, to evaluate exposure, monitor effectiveness of mitigation strategies, and strengthen resilience.

Outcome: A forward-looking and accountable system that minimizes implementation disruptions, enhances institutional responsiveness, and ensures that the PSEF remains stable, adaptive, and results-driven.

3.4.7 Performance Indicators Framework

The Performance Indicators Framework for the PSEF in Homa Bay County provides a structured and measurable approach to tracking the implementation, effectiveness, and impact of private sector engagement initiatives.

Table 8: PSEF Performance Indicators Framework

Performance Area	Key Indicators	Outcome Focus	Frequency	Responsible Entity
Stakeholder Engagement	No. of PPDFs, participation diversity	Inclusive and consistent engagement	Quarterly	Urban Boards
Diagnostics	No. of diagnostics, policy uptake	Evidence-based planning	Annual	CPCT
Communication	Feedback timelines, awareness levels	Transparency and responsiveness	Quarterly	ICT/Trade
Infrastructure	Projects aligned to business needs	Improved business environment	Annual	Urban Development
Private Sector Growth	Registrations, investments, jobs	Economic transformation	Annual	Trade Department

4.0 PSEF CONSIDERATIONS FOR SUSTAINABILITY

The long-term success of the PSEF in Homa Bay County hinges on its transformation from a programme-based initiative into a fully institutionalized, well-resourced, and adaptive governance system embedded within county structures. Anchored in the KUSP II framework, sustainability will be driven by strong institutional ownership, continuous and inclusive stakeholder participation, financial viability, and robust systems for coordination, accountability, and learning. When effectively operationalized, the PSEF will serve as a catalyst for institutional transformation as highlighted through the sustainability pillars and outcome areas below.

Table 9: PSEF Sustainability Pillars & Outcome Areas

Sustainability Pillar	Key Considerations ***(Findings from field data collected from sampled business enterprises)***	PSEF Enabling Strategies	Outcome Areas
1. Institutionalization within Governance Systems	57% awareness of platforms but 43% still unaware, indicates partial institutionalization	• Embed PSEF in CIDP, ADPs, IDEPs • Establish formal PPDF and PSEF Secretariat • Strengthen CPCT and interdepartmental coordination	▪ Continuity & Policy Integration: PSEF becomes a permanent governance function rather than project-based ▪ Improved Decision-Making: Private sector inputs systematically influence planning and budgeting ▪ Accountability: Clear mandates and reporting structures enhance transparency
2. Structured & Predictable Engagement	Strong demand: 53% quarterly, 40% monthly engagement	• Institutionalize engagement calendars • Develop SOPs for PPDFs • Establish action tracking systems	▪ Consistency in Engagement: Regular dialogue reduces ad hoc interactions ▪ Improved Policy Responsiveness: Continuous feedback loops refine policies Higher ▪ Participation Rates: Predictability increases stakeholder confidence and turnout

Sustainability Pillar	Key Considerations ***(Findings from field data collected from sampled business enterprises)***	PSEF Enabling Strategies	Outcome Areas
3. Financial Sustainability	Limited funding and high cost of doing business (25%)	• Mainstream PSEF in county budgets (PFM Act, CIDP) • Leverage KUSP II UIGs • Promote PPPs and donor alignment	▪ Sustained Operations: Reliable funding ensures continuity of PSEF components ▪ Improved Infrastructure Investment: PPPs unlock large-scale projects ▪ Reduced Fiscal Pressure: Diversified financing reduces dependency on county funds
4. Communication & Information Systems	68% unaware of business services; strong preference for WhatsApp (36%), SMS (25%)	• Multi-channel communication strategy • Digital platforms and feedback systems • Private sector database integration	▪ Enhanced Awareness: Businesses better informed on opportunities and policies ▪ Transparency & Trust: Real-time communication improves credibility ▪ Inclusive Engagement: Reaches MSMEs and informal sector actors effectively
5. Demonstrating Value & Results	37% motivated by tangible benefits	• Deliver quick wins (licensing, markets) • Document and communicate outcomes • Link PPDFs to implementation	▪ Increased Trust: Visible results reinforce confidence in government ▪ Sustained Participation: Stakeholders remain engaged when benefits are clear Improved ▪ Business Environment: Direct improvements in services and regulations
6. Private Sector Organization & Representation	80% not in business associations; 58% local market focus	• Strengthen associations and cooperatives • Promote sector/cluster-based representation • Formalize participation in PPDFs	▪ Stronger Collective Voice: Businesses influence policy more effectively ▪ Improved Coordination: Easier engagement with organized groups ▪ Market Expansion: Associations support value chain development

Sustainability Pillar	Key Considerations ***(Findings from field data collected from sampled business enterprises)***	PSEF Enabling Strategies	Outcome Areas
7. Capacity Development	39% skills gaps; institutional technical gaps identified	• Training in PPPs, data, planning, M&E • MSME capacity building (finance, digital skills) • Partnerships with training institutions	▪ Improved Productivity: Businesses adopt better practices and technologies ▪ Effective Implementation: County staff execute PSEF components efficiently ▪ Innovation Growth: Enhanced skills support competitiveness and diversification
8. Infrastructure & Service Delivery	59% lack business premises; services rated moderate (34–42% good)	• Align with Spatial Plan & IDEPs • Prioritize markets, roads, drainage • Leverage PPPs & Donor funding	▪ Enhanced Competitiveness: Lower operational costs for businesses ▪ Investment Attraction: Improved infrastructure draws investors ▪ Urban Growth: Supports development of economic clusters and hubs
9. Data Systems & Adaptive Learning	Fragmented/manual systems; weak data utilization	• Develop private sector database (SBP-linked) • Digital dashboards & M&E systems • Integrate into planning (CIDP, ADPs)	▪ Evidence-Based Planning: Decisions grounded in real data ▪ Performance Tracking: Ability to measure impact and adjust strategies ▪ Efficiency Gains: Reduced duplication and improved coordination
10. Resilience & Environmental Sustainability	Flooding, drainage, waste issues affecting businesses	• Integrate climate resilience into planning • Promote green investments • Align with CIDP environmental priorities	▪ Risk Reduction: Businesses protected from climate-related disruptions ▪ Sustainable Growth: Environmentally responsible development ▪ Long-Term Viability: Infrastructure and investments remain resilient

ANNEXES

Homa Bay County's development of the Private Sector Engagement Framework (PSEF) is grounded in a robust, multi-level legislative and policy framework that encompasses national laws, county regulations, and program-specific requirements under KUSP II.

These legal instruments collectively establish institutional mandates, participation mechanisms, data governance requirements, and performance obligations essential for effective private sector engagement.

ANNEX 1: Summary of the relevant legislation

Table 10: Summary of the relevant legislation

Legal Instrument	Article/Section	Provision	Details of Provision
Constitution of Kenya (2010)	Article 10	National Values and Principles of Governance	Provides for public participation, inclusiveness, transparency, and accountability, which underpin structured engagement between county governments and the private sector.
	Article 174(c), (d)	Objects of Devolution	Emphasizes democratic and accountable exercise of power and recognition of community participation in governance, forming the basis for private sector inclusion in county decision-making.
	Article 201(a), (d)	Principles of Public Finance	Requires openness, accountability, and public participation in financial matters, enabling private sector involvement in budgeting and resource allocation.
	Article 232(1)(d), (f)	Values and Principles of Public Service	Promotes responsive, prompt, and effective service delivery, including stakeholder engagement and accountability in public administration.
Urban Areas and Cities Act (2011, amended 2019)	Section 20	Functions of City/Municipal Boards	Mandates urban boards to oversee service delivery, promote participation, and engage stakeholders including the private sector in urban governance.
	Section 36	Citizen Participation	Requires structured mechanisms for citizen and stakeholder engagement in urban planning and governance processes.
County Governments Act (2012)	Section 87	Principles of Citizen Participation	Establishes the legal basis for participation, including access to

Legal Instrument	Article/Section	Provision	Details of Provision
			information, inclusivity, and stakeholder engagement in county governance.
	Section 91	Establishment of Participation Platforms	Requires counties to create platforms such as town hall meetings and stakeholder forums, forming the legal foundation for PPDFs.
	Section 115	Public Participation in Planning	Mandates public consultation in county planning processes (CIDP, ADP), ensuring private sector input in development priorities.
Public Finance Management Act (2012)	Section 125	Budget Preparation Process	Requires stakeholder consultation in the budget-making process, ensuring private sector engagement in resource allocation decisions.
	Section 137	County Budget Process	Provides for public participation in county budget approvals and oversight.
Public Private Partnerships Act (2021)	Section 3	Objective of the Act	Provides a framework for private sector participation in financing, construction, and operation of public infrastructure and services.
	Section 52–56	PPP Project Cycle	Outlines procedures for project identification, feasibility, procurement, and implementation, enabling structured private sector involvement.
Access to Information Act (2016)	Section 4	Right to Access Information	Guarantees citizens and businesses access to information held by public entities, supporting transparency and informed engagement.
Public Procurement and Asset Disposal Act (2015)	Section 3	Guiding Principles	Promotes transparency, fairness, and competition in procurement, enabling private sector participation in public contracting opportunities.
Micro and Small Enterprises Act (2012)	Section 4	Promotion and Development of SMEs	Provides for support mechanisms for SMEs, including capacity building, access to markets, and financing, strengthening their participation in PSEF.
Access to Information Act (2016)			Provides the legal framework for public access to information

Legal Instrument	Article/Section	Provision	Details of Provision
			held by public entities, promoting transparency and accountability.
Data Protection Act (2019)			Regulates collection, processing, and protection of personal data, including data collected through private sector databases.
Physical and Land Use Planning Act (2019)			Provides guidelines for land use planning and development control, ensuring orderly urban development and investment
Kenya Vision 2030	Economic Pillar	Private Sector-led Growth	Recognizes the private sector as the driver of economic development and calls for strengthened public-private partnerships.
Kenya Urban Support Programme II (KUSP II) Guidelines	Result Area 4	Urban Institutional and Development Grants (UDG)	Requires counties to establish structured private sector engagement mechanisms as a condition for accessing performance-based grants.
	PSEF Toolkit	Public-Private Dialogue Framework	Provides guidance on establishing PPDFs, engagement systems, and performance frameworks for sustained private sector participation.
Homa Bay County Integrated Development Plan (CIDP 2023-2027)	Relevant Chapters (Economic, Governance)	Local Economic Development & Governance	Identifies private sector development, investment promotion, and stakeholder engagement as key priorities for county development.
Homa Bay County Finance Act 2023	Various Sections	County Taxes, Fees and Charges	Provides the legal framework for taxation and revenue collection, which directly affects the business environment and private sector engagement.
Homa Bay County Public Participation Bill	Various Sections	Public Participation Framework	Establishes structured mechanisms for stakeholder engagement, including private sector consultations in county governance.

ANNEX 2: Alignment and Linkage to the Urban Governance Regulatory Framework

The PSEF in Homa Bay County is designed to complement, strengthen, and operationalize existing urban governance, planning, and budgeting instruments by systematically integrating private sector perspectives into decision-making processes. In line with KUSP II requirements, the framework ensures that engagement outcomes are not standalone, but are fully embedded within statutory county systems, thereby enhancing policy coherence, investment prioritization, and accountability.

Drawing findings from the field report, which highlight strong demand for engagement but gaps in coordination, feedback, and integration, the PSEF provides a structured mechanism to link dialogue, data, and decisions across all key planning instruments.

Table 11: Alignment of PSEF With Homa Bay County Planning and Governance Frameworks

Planning / Governance Instrument	Role in Homa Bay County	Linkage and Relevance to PSEF	Expected Outcome
County Integrated Development Plan (CIDP) 2023–2027	Provides the overarching five-year development framework, including priorities such as industrialization, lakefront development, infrastructure, and enterprise growth	• PSEF integrates private sector inputs into strategic priorities • Aligns engagement outcomes with county development goals • Informs sectoral strategies and investment focus areas	Strategic Alignment: Private sector priorities embedded in long-term development planning Improved Policy Relevance: Plans reflect real economic needs
Annual Development Plans (ADPs)	Translates CIDP priorities into annual actionable programmes and budgets	• PPDF and diagnostic findings inform project selection and prioritization • Ensures responsiveness to emerging private sector needs	Responsive Planning: Annual plans reflect current business constraints and opportunities Efficient Resource Allocation
County Fiscal Strategy Paper (CFSP)	Defines fiscal priorities, sector ceilings, and resource allocation strategies	• Private sector insights shape fiscal policy direction	Improved Investment Targeting: Resources directed to high-impact sectors

Planning / Governance Instrument	Role in Homa Bay County	Linkage and Relevance to PSEF	Expected Outcome
		• Supports alignment between economic priorities and budget allocations	Enhanced Economic Policy Coherence
Programme-Based Budget (PBB)	Links budget allocations to outputs and outcomes in line with PFM Act (2012)	• PSEF performance indicators inform programme design and funding decisions • Supports results-based budgeting for economic development initiatives	Results-Based Financing: Spending linked to measurable outcomes Accountability in Resource Use
Integrated Development Plans (IDEPs) – Municipal Level	Provides spatial and economic development frameworks for municipalities (e.g., Homa Bay, Oyugis, Mbita)	• Private sector inputs identify economic clusters, growth corridors, and infrastructure needs • Supports integration of business priorities into urban development	Targeted Urban Growth: Infrastructure aligned with economic activity Enhanced Competitiveness of urban centres
County Spatial Plan / Urban Spatial Plans	Guides land use, zoning, and spatial development across the county	• PSEF data (database + diagnostics) informs land use planning • Aligns infrastructure and investment with business locations and needs	Efficient Land Use: Reduced zoning conflicts and improved planning Better Investment Coordination
Urban Boards / Municipal Boards	Provide oversight for urban governance and service delivery	• Lead implementation of PSEF at municipal level • Convene and manage PPDFs • Ensure integration of private sector priorities into decisions	Localized Accountability: Stronger linkage between engagement and service delivery Improved Urban Management

Planning / Governance Instrument	Role in Homa Bay County	Linkage and Relevance to PSEF	Expected Outcome
Public Participation Frameworks (County & Municipal)	Facilitate citizen engagement in governance and planning processes	• PSEF complements these by providing a dedicated platform for economic and business issues • Enhances inclusivity, particularly for MSMEs and informal sector actors	Inclusive Engagement: Broader participation beyond traditional forums More targeted economic dialogue
KUSP II Framework (RA2 & RA4)	Provides standards for urban governance, infrastructure, and private sector engagement	• PSEF fulfills requirements for structured engagement, diagnostics, and databases • Supports access to UIGs and performance-based funding	

ANNEX 3: List of fields already in the SBP application form

DATA FIELDS FOR THE PRIVATE SECTOR DATABASE

The table below indicates data fields that were used in preparation of excel database. It indicates the data captured in the SBP application form.

Field name	SBP	Data types
Name of business	Yes	
Business no (issued during licensing)	Yes	
Certificate of registration no	Yes	
Business ownership structure: sole proprietor, partnership, limited liability, other legal entity	No	Select from drop down list of different entity types: business name; private limited company; limited; company limited by guarantee; limited partnership; foreign company; trust; other legal entity
Gender of proprietor/majority shareholder		
Certificate of registration no	Yes	
Year of registration/incorporation	No	
Years in operation	No	Range of year: < 1 yr; 2 – 3 yrs; 4 - 5 yrs; 6 – 10 yrs; over 10 yrs
Business Permit no	No	
Date of permit issue	No	
Industry/sector (code)	Yes	Drop down list based on the KeSIC codes
Business activity (code)	Yes	Drop down list based on the KeSIC codes
Business activity description (code)	Yes	
Mailing Address: PO Box, Postal Code	Yes	
Phone number	Yes	
Email address	Yes	
Physical address	Yes	
Plot no	Yes	
County	Yes	Drop down list of all counties

Field name	SBP	Data types
City/Municipality	No	Drop down list
Sub county	No	Drop down list
Ward	No	Drop down list
Geo-location (GIS coordinates)	No	
Land zone (if any/if known)	No	Drop down list
*No of employees	No	Drop down categories: Single individual/sole proprietor/trader Micro: Less than 10 Small: 10 – 49 Medium: 50 – 250 Large: over 250
Total size of premises (m^2)	No	
Property/land use data (ownership)	No	
*Financial data (gross annual turnover for last year) - KES range	No	Drop down categories: Micro: <500,000 Small: 500,001 – 5 million Medium: 5,000,001 – 100,000,000
Business affiliation i.e., membership in trade/business/professional associations or cooperatives	No	
Other licenses and permits for specific business activities	No	

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

ANNEX 2:Suggested calendar for two annual forums aligned to the urban board planning and budgeting calendar

The establishment of a structured and predictable Public-Private Dialogue Forum (PPDF) calendar is essential for effective implementation of the PSEF in Homa Bay County, in line with KUSP II (RA4) requirements. A minimum of two forums annually is required; however, the quality, timing, and alignment with decision-making processes are critical for impact.

Findings from the Homa Bay datasets reinforce this need. While there is strong demand for engagement (53% prefer quarterly, 40% monthly), gaps remain in awareness (47%) and communication (52%), indicating that current engagement is not sufficiently structured or visible. This creates a clear opportunity to institutionalize engagement through a well-timed PPDF calendar aligned with the county planning and budgeting cycle.

Alignment with Homa Bay Planning and Budgeting Cycle

The PPDF calendar is aligned with statutory processes under the Public Finance Management Act (2012) and County Governments Act (2012), ensuring that private sector inputs directly inform decision-making:

- Planning Phase (Sept – Feb): ADP and CFSP preparation
- Budgeting Phase (Feb – June): Budget formulation and approval
- Implementation & Review (July – Aug): Execution and performance review

This alignment ensures that engagement moves beyond consultation to influencing priorities, budgets, and implementation.

A. PROPOSED PPDF CALENDAR FOR HOMA BAY COUNTY (DATASET-DRIVEN)

Table 12: Proposed PPDF Calendar

Forum	Timing & Planning Linkage	Focus Areas	Dataset Linkages (Evidence)	Expected Outcomes
Forum 1: Planning and Priority Setting	October – November Aligned with ADP preparation and CIDP implementation	• Identify key business constraints and investment needs • Inform sector priorities (trade, infrastructure, finance)	• High cost of doing business (≈25%) • Infrastructure and workspace constraints (≈59% lack	• Evidence-based private sector priorities identified • Inputs integrated into ADPs, CIDP, and sector plans • Improved alignment

Forum	Timing & Planning Linkage	Focus Areas	Dataset Linkages (Evidence)	Expected Outcomes
		• Strengthen awareness of county programmes	premises) • Skills gaps (≈39%)	between planning and business needs
Forum 2: Budget Validation and Feedback	March – April Aligned with budget formulation and CFSP process	• Review and validate budget allocations • Identify gaps and propose adjustments • Enhance transparency and accountability	• Communication and feedback gaps (≈52%) • Low awareness of services and engagement platforms (≈47%) • Demand for tangible outcomes (37%)	• Budgets aligned with private sector priorities • Improved transparency and accountability • Increased trust and participation from stakeholders

ANNEX 3: Sample Results Framework

The PSEF Results Framework for Homa Bay County is organized around key thematic areas and in line with KUSP II (RA4) and county planning frameworks as showcased below.

Table 13: Thematic Results Framework

Thematic Area	Key Dataset Issues	PSEF Interventions	Key Indicators	Outcome Focus
1. Private Sector Engagement & Participation	• Low awareness of platforms (≈47%) • Strong demand for engagement (53% quarterly, 40% monthly)	• Institutionalize PPDFs (min. 2 annually) • Establish PSEF Secretariat • Align forums with planning cycle	• % awareness of PPDFs • No. of forums held • Participation diversity • Satisfaction levels	Structured, inclusive, and trusted engagement system with increased participation and influence on decision-making
2. Communication & Information Systems	• Communication gaps (≈52%) • Limited awareness of services (≈47%)	• Multi-channel communication (SMS, WhatsApp, forums) • Digital platforms and feedback systems • Awareness campaigns	• % businesses reached • Awareness levels • Feedback response time	Improved transparency, awareness, and access to information, leading to higher engagement and trust
3. Data & Evidence-Based Planning	• Fragmented/manual data systems • Weak business visibility	• Develop SBP-linked private sector database • Conduct diagnostics • Integrate data into CIDP, ADPs, IDEPs	• Database functionality • No. of businesses profiled • Use of data in planning	Data-driven decision-making and better targeting of interventions

Thematic Area	Key Dataset Issues	PSEF Interventions	Key Indicators	Outcome Focus
4. Business Environment & Regulatory Efficiency	• High cost of doing business (≈25%) • Licensing inefficiencies • Regulatory bottlenecks	• Policy and licensing reforms • Digitization of permits • Streamlined processes	• Licensing satisfaction • No. of reforms implemented • Reduction in complaints	Improved ease of doing business and reduced operational constraints
5. Infrastructure & Economic Development	• Lack of business premises (≈59%) • Infrastructure gaps (roads, markets, utilities)	• Align infrastructure with Spatial Plan & IDEPs • Promote PPPs • Prioritize economic infrastructure	• Access to business premises • No. of infrastructure projects aligned to needs	Enhanced business productivity and investment attractiveness
6. Capacity Building & Enterprise Support	• Skills gaps (≈39%) • Limited technical capacity (public & private sectors)	• Training programmes (business, digital, financial) • Institutional capacity strengthening	• No. of trainings conducted • No. of businesses trained	Improved productivity, innovation, and implementation capacity
7. Inclusivity & Private Sector Representation	• 80%+ not in associations • Weak representation of MSMEs and informal sector	• Strengthen associations and cooperatives • Inclusive outreach strategies • Target MSMEs and informal sector	• % participation (MSMEs, youth, women) • No. of associations engaged	Broader, more inclusive participation and stronger collective voice
8. Planning & Budget Integration	• Weak linkage between engagement and planning • Communication gaps (≈52%)	• Align PPDF outputs with CIDP, ADPs, IDEPs	• No. of inputs integrated into plans • Budget alignment indicators	Responsive planning and resource allocation reflecting business priorities

Thematic Area	Key Dataset Issues	PSEF Interventions	Key Indicators	Outcome Focus
		• Integrate into budgeting processes		
9. Monitoring, Accountability & Learning	• Weak tracking and feedback systems	• Quarterly reviews • Biannual PPDF reporting • Public disclosure and dashboards	• Reporting compliance • Action implementation rate	Improved accountability, transparency, and adaptive management

ANNEX 6: Private Sector Diagnostic Questionnaire - Enterprise Response Form

Competitiveness and Business Environment Assessment

Instructions:

- Please tick the appropriate boxes
- Use the rating scale provided
- Provide explanations where applicable
- All responses will be used for planning purposes only -~

Rating Scale

(1) Very Poor (2) Poor (3) Fair (4) Good (5) Very Good

SECTION A: BUSINESS PROFILE							
Business name	Sector	Sub county	Ward	Years of operation	Business size	Registration status	No of employees

SECTION B: LEVER 1- INSTITUTIONS AND REGULATIONS							
Clarity of business procedures	Time required to obtain business licenses	Cost of licenses and permits	Transparency of licensing and approvals	Fairness of regulatory enforcement	Ease of dealing with county / municipal offices	Predictability of regulatory decisions	Main regulatory decisions

(2) GOVERNANCE & INTEGRITY			
Transparency in administrative processes	Consistency of decisions by authorities	Incidence of unofficial payment/ bribes	Comments on governance issues

SECTION C: LEVER 2 INFRASTRUCTURE & LAND								
Quality of access roads to business area	Public transport access for workers/customers	Reliability of electricity supply	Quality of internet/connectivity	Solid waste management services	Drainage & flood control	Land & premises availability for business	Security of land/ propety rights	Infrastructure gaps affecting your business

SECTION D: LEVER 3 SKILLS & INNOVATION						
Availability of skilled workers locally	Relevance of tvet/college training to your sector	Ease of recruiting qualified staff	Staff digital skills	Do you provide staff training	Key skills gaps observed	Level of innovation in your business

SECTOR E: LEVER 4 ENTERPRISE SUPPORT & FINANCE						
Access to bank loans	Access to microfinance/Sacco finance	Affordability of credit	Availability of business advisory services	Availability of market linkage	Usefulness of county/municipal enterprise programs	Main barriers to accessing finance

SECTION F: PRIORITY INTERVENTIONS	
Top 3 actions governments should prioritize for businesses	Would you participate in public private dialogue forums

ANNEX 7: Business Enterprise Database Portfolio

A. HOMA BAY MUNICIPALITY ECONOMIC PROFILE

Row labels	Income type
Agriculture, forestry and natural resources extraction	47
Professional, technical and financial services	235
Transport, storage, distribution and communications	53
Accommodation and catering	96
Distribution of goods in the entire county	1
General traders' shops and retail services	565
Industrial plants, factories, workshop, contractors.	49
Informal sector	25
Private education, health, entertainment	51
Private tractor permit	13
Other SBP services	2919
Grand total	**4054**

B. OYUGIS MUNICIPALITY ECONOMIC PROFILE

Row labels	Income type
Agriculture, forestry and natural resources extraction	590
Professional, technical and financial services	1444
Transport, storage, distribution and communications	151
Accommodation and catering	175
Agriculture, forestry, natural resources	362
Distribution of goods in the entire county	5
General traders' shops and retail services	2142
Industrial plants, factories, workshop, contractors.	24

Row labels	Income type
Informal sector	220
Private education, health, entertainment	164
Private tractor permit	26
Other SBP charges	55
Grand total	**4996**

C.PSEF DEVELOPMENT- STAKEHOLDER PHOTOS

Annex 8: Public Private Dialogue Forum (PPDF)

B. TOR FOR THE PPDF SECRETARIAT - LED BY THE URBAN MANAGER

1. Convene forum and manage the operation of the dialogue forums. Using the register of business associations and database to identify members meeting established criteria to participate in the forums.
2. The Manager will draft the TOR of the forum including:
   - the goals and objectives of the PPDF, the functions, roles and responsibilities, the structure, membership criteria and relationship to other public participation and stakeholder engagement and governance processes based on review of the existing policy framework and ensure alignment with the county government and urban board institutional and organizational framework.
   - the governance arrangements (relationship with existing structures)
   - the management and operations including TOR for secretariat, budget, calendar, forum management tools and accountability and performance framework.
3. Set calendar, and draft agenda, manage forums and outputs for different working groups.
4. During first meeting facilitate establishment of PPDF committee (chair/co-chair, secretary) and working groups aligned to the policy levers i.e., the institutional and regulatory review, urban planning, infrastructure and land, skills and innovation, finance and enterprise development support, specific industry/sector groups. The working groups carry out necessary analytical work supported by the Urban Manager and meet as necessary and advice the plenary. Additional members co-opted as necessary from public and private entities to provide inputs.
5. The private sector representatives will serve in relevant roles on the committee and contribute technical, administrative and/or material support its operations.
6. Ensure members meeting established criteria to participate in the forums.
7. Resource Mobilization: Prepare resource frameworks, both financial and human, to support the operations of the forum. Prepare budget for forum activities including assessments, surveys, research to inform the forum for inclusion into the annual plan and budget through relevant departmental budget. Prepare resource mobilization strategy including seeking donor support or leveraging sponsorship/in-kind contributions from the private sector and participating stakeholders.
8. Capacity building and outreach for both internal departments within the urban organization and outreach amongst private sector, relevant institutions, CSOs and other actors.
9. Hold regular quarterly meetings and ad-hoc sector specific or issue-based forums using the mapping to ensure inclusive and targeted engagement. Facilitate meetings to encourage open participation, co-creation and programming, and learning. The forums will

be timed and aligned for the outputs to inform the various county and urban plan preparation and budget processes.

10. Create and maintain mechanisms that facilitate two-way communication, inclusive

access to information, and records and knowledge management.

11. Commission and coordinate with relevant departments and private sector actors and stakeholders the conduct of local economy assessments, private sector diagnostics, surveys, research and data analysis to influence/inform policy and intervention.

12. Prepare and implement a monitoring framework to track, monitor and report on the forum activities and outputs. Follow up actions and recommendations from the forum

with the relevant departments/stakeholders ensuring they are incorporated into relevant county processes/documents for executive or legislative action and approval.

13. Manage communication and knowledge and records management. Ensure feedback is provided to the forum members and monitor the performance of the forums i.e., activities and outputs against the results and monitoring framework.

C. MUNICIPALITY PUBLIC-PRIVATE DIALOGUE FORUM RECORD

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

Contact Information for Follow-up

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

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

D. PUBLIC PRIVATE DIALOGUE FORUM ACTION PLAN

Municipality:

Date:

Venue:

No.	**Actions/Commitments**	**Responsible Party(ies)**	**Timelines/Deadline**	**Expected results/outcome** *(how the implementation of agreed actions will be monitored and evaluated)*	**Status/Feedback/Follow up** **(***to be reviewed/updated at the next forum meeting)*

E. PUBLIC PRIVATE DIALOGUE FORUM LIST OF PARTICIPANTS

No	Name	Organization	Position/Title	Email	Phone	Signature