



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MANDERA

Ministry of Lands and Urban Development,
Department of Housing and Urban Development

PRIVATE SECTOR ENGAGEMENT FRAMEWORK FOR URBAN BOARDS

September 2025

Department for Housing and Urban Development

Ministry of Lands and Urban Development

COUNTY GOVERNMENT OF MANDERA

PO Box 13-70300

MANDERA.



CTC
[Handwritten signature]
16/4/2026

Table of Contents

ABBREVIATIONS AND ACRONYMS	1
SHARED APPROVAL OF THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK (PSEF)	2
FORWARD	3
PREFACE	4
ACKNOWLEDGEMENT	5
EXECUTIVE SUMMARY	6
1. INTRODUCTION	8
1.1 BACKGROUND	8
1.2 THE RATIONALE FOR FORMALIZED PUBLIC-PRIVATE ENGAGEMENT	9
1.3 THE CURRENT STATE OF ENGAGEMENT IN MANDERA COUNTY	10
1.4 OBJECTIVES OF THE MANDERA PSEF	12
1.5 LEGAL FOUNDATION AND POLICY ALIGNMENT	14
1.6 IMPLEMENTATION OF THE SECOND KENYA URBAN SUPPORT PROGRAM (KUSP II)	16
1.7 DEVELOPMENT OF THE FRAMEWORK	18
1.8 APPROACH TO THE PSE FRAMEWORK	20
1.9 PRINCIPLES OF THE PSEF	21
1.10 KEY ACTORS AND ROLES.....	23
1.11 BENEFITS OF ADOPTING THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK	25
2. COMPONENTS OF THE PSEF	27
2.1 PRIVATE SECTOR DATABASE FOR URBAN BOARDS.....	27
2.2 PRIVATE SECTOR DIAGNOSTIC.....	31
2.3 PUBLIC-PRIVATE DIALOGUE FORUMS (PPDF) FOR URBAN PLANNING AND DEVELOPMENT.....	34
2.4 CAPACITY BUILDING AND OUTREACH.....	37
2.5 COMMUNICATION AND FEEDBACK CHANNELS	40
2.6 INSTITUTIONAL ARRANGEMENTS AND RESOURCE FRAMEWORK.....	42
3. ENABLERS FOR EFFECTIVE AND SUSTAINED PRIVATE SECTOR ENGAGEMENT	45
3.1 HIGH-LEVEL POLITICAL AND POLICY COMMITMENT.....	45
3.2 ACCOUNTABILITY AND TRANSPARENCY	45
3.3 INSTITUTIONAL AND HUMAN RESOURCE CAPACITY.....	45
3.4 TECHNOLOGY AND DATA INTELLIGENCE	46
3.5 INCLUSION AND DIVERSITY.....	46
3.6 COLLABORATIVE LEADERSHIP AND PARTNERSHIP CULTURE	46
3.7 PREDICTABILITY AND REGULATORY STABILITY.....	47
3.8 FINANCIAL AND OPERATIONAL SUSTAINABILITY	47
4. MONITORING, EVALUATION, AND LEARNING (MEL)	48
4.1 OBJECTIVES OF THE MEL FRAMEWORK	48
4.2 KEY PERFORMANCE INDICATORS (KPIs).....	48
4.3 THE RESULTS FRAMEWORK AND REPORTING CYCLE.....	49
4.4 DATA COLLECTION AND MANAGEMENT	49
4.5 LEARNING AND FRAMEWORK EVOLUTION	49
5. CHALLENGES, RISKS AND MITIGATION STRATEGIES.....	50
6. PERFORMANCE AND ACCOUNTABILITY FRAMEWORK.....	53
6.1 THE PERFORMANCE MATRIX AND TECHNICAL INDICATORS.....	53
6.2 ACCOUNTABILITY MECHANISMS: THE THREE-TIER APPROACH	53
6.3 DATA-DRIVEN VERIFICATION AND AUDITING.....	54

6.4	LINKAGE TO THE RESULTS FRAMEWORK.....	54
7.	PSEF CONSIDERATIONS FOR SUSTAINABILITY	55
7.1	INSTITUTIONALIZATION AND LEGAL ANCHORAGE.....	55
7.2	FINANCIAL AND RESOURCE SUSTAINABILITY	55
7.3	TECHNOLOGICAL AND DATA CONTINUITY	55
7.4	CAPACITY AND LEADERSHIP SUCCESSION PLANNING.....	56
7.5	MONITORING FOR LONG-TERM VIABILITY	56
	REFERENCES	57
	ANNEXES.....	58
	ANNEX 01: TERMS OF REFERENCE (TOR) FOR THE PUBLIC-PRIVATE DIALOGUE FORUM (PPDF)	59
	ANNEX 02: ACCREDITATION GUIDELINES FOR BUSINESS ASSOCIATIONS.....	61
	ANNEX 03: SAMPLE DATABASE FIELDS FOR PRIVATE SECTOR REGISTRY	63
	ANNEX 04: FEEDBACK AND GRIEVANCE REDRESS REGISTER (TEMPLATE).....	65
	ANNEX 05: PSEF RESULTS FRAMEWORK	67
	ANNEX 06: PSEF CONSIDERATIONS FOR SUSTAINABILITY.....	70
	ANNEX 07: SUMMARY OF THE RELEVANT LEGISLATION	72
	ANNEX 08: ALIGNMENT AND LINKAGE TO THE URBAN GOVERNANCE REGULATORY FRAMEWORK	77
	ANNEX 09: SUGGESTED CALENDAR FOR TWO ANNUAL FORUMS ALIGNED TO THE URBAN BOARD PLANNING AND BUDGETING CALENDAR	80
	ANNEX 10: STAKEHOLDER ENGAGEMENT PLAN & RESULTS SUMMARY	81
	ANNEX 11: MANDERA MUNICIPALITY REVENUE PROJECTION ANALYSIS FOR LICENSE – FY 2025/2026.....	82

ABBREVIATIONS AND ACRONYMS

BETA	Bottom-Up Economic Transformation Agenda
CoG	Council of Governors
COTU	Central Organization of Trade Unions
CSOs	Civil Society Organizations
GDP	Gross Domestic Product
IDEPs	Integrated Development Plans
KAM	Kenya Association of Manufacturers
KARA	Kenya Alliance of Residents Association
KEPSA	Kenya Private Sector Alliance
KeSIC	Kenya Standard Industrial Classification
KNCCI	Kenya National Chamber of Commerce and Industry
KUSP	Kenya Urban Support Program
MCs	Minimum Conditions
MLPWHUD	Ministry of Lands, Public Works, Housing and Urban Development
MSEA	Medium and Small Enterprises Authority
MSMEs	Micro, Medium and Small Enterprises
MTP	Medium-Term Plan
NGOs	Non-Governmental Organizations
NUDP	National Urban Development Policy
PPDFs	Public Private Dialogue Forums
PS	Performance Standards
PSEF	Private Sector Engagement Framework
SBP	Small Business Permits
SDHUD	State Department of Housing and Urban Development
SMEs	Small and Medium-sized Enterprises
UACA	Urban Areas and Cities Act

SHARED APPROVAL OF THE PRIVATE SECTOR ENGAGEMENT FRAMEWORK (PSEF)

1. Declaration of Adoption

This document, titled the Private Sector Engagement Framework (PSEF) for Mandera County, is hereby formally adopted as the official policy guiding the interaction between the County Government, its Municipal Boards (Mandera and Elwak), and the private sector stakeholders. This framework is a localized adaptation of the National Private Sector Engagement Framework issued by the State Department for Housing and Urban Development under the Kenya Urban Support Program II (KUSP II).

2. Statement of Commitment

We, the leadership of the Department of Lands, Housing, and Urban Development, recognize that the sustainable growth of Mandera’s urban centers is inextricably linked to the success of our private sector. Whether in the formal retail sectors, the strategic cross-border logistics industry, or the vital informal livestock markets, the private sector is our most significant partner in development.



By signing this approval, we commit to the following:

- Institutionalization: We will ensure that private sector engagement is not an ad-hoc activity but a permanent, institutionalized function within the Mandera and Elwak Municipalities.
- Resource Allocation: We commit to providing the necessary administrative and technical resources to maintain the Private Sector Database and facilitate regular Public-Private Dialogue Forums (PPDF).
- Policy Integration: We guarantee that the insights, data, and priorities gathered through these engagement mechanisms will be formally integrated into the Annual Urban Plans (AUP) and the County Integrated Development Plan (CIDP).

3. Authorization and Execution

This framework is effective immediately upon signature. All Urban Board members, Municipal Managers, and relevant technical staff are directed to implement the provisions of this framework with diligence, transparency, and accountability.

Signatories of Approval

Name & Title	Signature	Date
Hon. Salah M. Alio CECM – Lands and Urban Development, County Government of Mandera		<u>3rd September, 2025</u>
Zeitun Abdikarim Abdishakur CCO – Housing and Urban Development, County Government of Mandera		<u>3rd September, 2025</u>

FORWARD

As the County Executive Committee Member (CECM) for Lands, Housing, and Urban Development, it is my distinct honor to present the Mandera County Private Sector Engagement Framework (PSEF). This document represents a fundamental shift in how Mandera County approaches the governance and economic management of its urban centers.

In the pursuit of the Kenya Urban Support Program II (KUSP II) objectives, our department has recognized that the rapid urbanization of Mandera Municipality and Elwak Municipality presents both an urgent challenge and an unprecedented opportunity. While the public sector provides the regulatory foundation and essential infrastructure, it is the private sector—the vibrant "Jua Kali" artisans, the resilient cross-border logistics firms, and the backbone of our economy, the livestock traders—that serves as the true engine of growth.

This framework is not merely a procedural requirement; it is a strategic response to the evolving economic landscape of Mandera. For too long, the relationship between municipal authorities and the business community has been characterized by transactional interactions focused primarily on licensing and revenue collection. This framework moves us toward a "Partnership Model." By institutionalizing structured Public-Private Dialogue Forums (PPDF), we are ensuring that the private sector is no longer a passive observer of urban planning but an active co-creator of our town's future.

The PSEF provides a robust, data-driven approach to urban management. Through the creation of a comprehensive Private Sector Database and the execution of Business Environment Diagnostics, we will finally have the technical insights required to bridge the infrastructure financing gap. We aim to attract private capital into key municipal projects—ranging from modern transport hubs and solid waste management systems to specialized cross-border trade facilities.

I wish to underscore that the adoption of this framework is a mandatory step toward meeting the Minimum Condition 8 (MC8) and Performance Standard 11 (PS11) of KUSP II. Our success in implementing this framework will directly influence our ability to secure the investment grants necessary to transform Mandera into a competitive, investment-friendly destination in the Horn of Africa.

I call upon the leadership of our Municipal Boards and all private sector stakeholders to embrace this framework. Together, we will build urban areas that are not only well-planned and secure but are also the primary drivers of prosperity for all residents of Mandera County.

**Hon. Salah M Alio,
County Executive Committee Member (CECM)
Lands, Housing, and Urban Development
Mandera County Government**

PREFACE

As the County Chief Officer (CCO) for Lands, Housing, and Urban Development, I am pleased to introduce the operational roadmap for the Mandera County Private Sector Engagement Framework (PSEF). This preface outlines our commitment to moving beyond theoretical planning into the practical, technical implementation of urban governance reforms.

The rapid physical and economic expansion of Mandera and Elwak Municipalities necessitates a governance structure that is agile, data-driven, and collaborative. Under the Kenya Urban Support Program II (KUSP II), the role of my office has evolved from strictly managing land use and housing to facilitating an ecosystem where the private sector can thrive. This framework provides the technical tools to bridge that gap.

At the heart of this PSEF is the recognition that information is our most valuable asset. To that end, the department is prioritizing the creation of a comprehensive Business Database. By integrating our GIS capabilities with the Mandera County Revenue Board's licensing data, we will, for the first time, have a spatial understanding of our economic landscape. We will know where our livestock traders are concentrated, where the cross-border logistics hubs are emerging, and where the MSME clusters lack basic utilities. This data will be the foundation upon which we build our Annual Urban Plans (AUP) and infrastructure priority lists.

Furthermore, this framework institutionalizes the Public-Private Dialogue Forum (PPDF). These forums are not merely consultative; they are intended to be technical workshops where the Urban Boards and business leaders—including KNCCI Mandera, transport Saccos, and market committees—solve real-world problems. Whether it is addressing drainage issues around the Mandera Central Market or streamlining cross-border permits, the PPDF will be the mechanism for accountability and action.

As the accounting officer for this department, I wish to emphasize that the PSEF is a core component of our performance management system. The Municipal Managers and their respective secretariats will be evaluated based on their ability to maintain these databases and host productive, results-oriented dialogues. We are committed to ensuring that the outcomes of these engagements are reflected in the County Fiscal Strategy Paper (CFSP) and the final budget appropriations.

I wish to thank the technical drafting team and the Director of Administration for their diligent work in localizing this framework. I am confident that the rigorous application of this document will ensure that Mandera County remains a pioneer in urban excellence and a preferred destination for private investment in the region.

Zeytuna Abdishakur
County Chief Officer (CCO)
Lands, Housing, and Urban Development
Mandera County Government

ACKNOWLEDGEMENT

The successful formulation and localization of this Private Sector Engagement Framework (PSEF) for Mandera County is the result of a deliberate, coordinated effort to realign our urban governance structures with the economic realities of the 21st century. This document reflects a collective commitment to excellence and a shared vision for a more prosperous, investment-ready Mandera.

First and foremost, I wish to express profound appreciation to the County Executive Committee Member (CECM) for Lands, Housing, and Urban Development. Their strategic leadership and political stewardship were the primary catalysts for this framework. By championing the shift toward a partnership-based urban economy, the CECM has provided the necessary mandate for our department to innovate and bridge the gap between government administration and private sector enterprise.

I also wish to extend significant recognition to the Office of the County Chief Officer (CCO) for Urban Development. As the technical and accounting head of the department, the CCO provided the rigorous oversight and administrative direction required to ensure this framework met the high-performance standards set by the Kenya Urban Support Program II (KUSP II). Their focus on data-driven governance and institutional accountability was instrumental in transforming the national model into a functional, localized tool tailored for Mandera and Elwak Municipalities.

Special thanks are due to the two Municipal Managers and the specialized technical team within the department. Their tireless work in coordinating between various county agencies—including the Mandera County Revenue Board and the Trade Department—ensured that this framework is not just a theoretical document, but a practical roadmap. Their efforts in drafting, refining, and localizing these sections have laid the groundwork for a new era of urban management in our county.

Finally, we acknowledge the State Department for Housing and Urban Development and our international partners for providing the foundational guidelines that inspired this localization. Their support continues to be vital as we strive to build urban centres that are inclusive, resilient, and centres of economic opportunity for all.

Issa Khalif
Deputy Director – Housing and Urban Development
Department of Lands, Housing, and Urban Development
Mandera County Government

EXECUTIVE SUMMARY

1. Strategic Rationale

The County Government of Mandera recognizes that sustainable urban development and economic resilience depend on a structured, predictable partnership with the private sector. This Private Sector Engagement Framework (PSEF) is a formal county policy designed to transition urban governance from ad-hoc interactions to a formalized, data-driven system. By establishing clear rules of engagement, this framework aims to unlock private investment, enhance service delivery, and ensure that the growth of Mandera and Elwak is both inclusive and competitive.

2. Localized Business Landscape and Analysis

This framework is grounded in a substantive diagnostic of the county's urban business environment. A detailed analysis of recent stakeholder inputs and business registry data reveals a private sector landscape characterized by the following:

- **Sectoral Composition:** The urban economy is primarily driven by Wholesale and Retail Trade (42%), followed by Livestock-related services (20%), and Transport/Logistics (18%). This distribution confirms the county's role as a critical regional trade hub.
- **Enterprise Scale:** Approximately 82% of the active private sector consists of MSMEs. This high concentration of small-scale enterprises necessitates a specific focus on shared municipal infrastructure, such as organized market hubs, artisan centers, and simplified regulatory processes to foster formalization.
- **Stakeholder Priorities:** Analysis of feedback from diagnostic sessions indicates that 75% of business stakeholders rank "Climate-Resilient Infrastructure" (specifically drainage in commercial zones) and "Streamlined Development Approvals" as the most critical factors for investment retention in the current cycle.

3. Operational Machinery: The Board-Level Interface

While this is a County Government policy, the functional "engine room" of the framework is operationalized at the Board level through a structured Public-Private Dialogue (PPD) system. This machinery includes:

- **Analytical Stakeholder Database (Annex 01):** Managed at the board level, this database segments private sector entities by industry and scale. This ensures that dialogue is not arbitrary but is representative of the actual business demographics of each municipality.
- **Public-Private Dialogue (PPD) Forums:** These are the primary vehicles for engagement, where the Municipal Boards meet quarterly with sector representatives to review urban spatial plans, infrastructure priorities, and regulatory instruments.

- Diagnostic and Feedback Tools (Annex 06 & 07): The framework provides the boards with standardized survey instruments and Focus Group Discussion (FGD) guides. These tools enable the boards to continuously receive, analyze, and document private sector feedback as formal evidence for county planning and budgeting cycles.

4. Monitoring and Results-Based Accountability

The implementation of this PSEF is anchored in a robust **Results Framework (Annex 05)**. Every activity—from database updates to the implementation of PPD resolutions—is tied to specific performance indicators and verifiable data sources. This ensures that the feedback received at the board level is translated into tangible municipal projects, improved service delivery, and measurable policy reforms.

5. Conclusion

The County Government of Mandera is committed to a "business-unusual" approach to urban management. By institutionalizing these engagement channels and embedding data collection into municipal operations, this framework ensures that Mandera and Elwak remain secure, well-governed, and attractive destinations for long-term private sector growth and resilient urban development.

1. INTRODUCTION

1.1 Background

The transformation of Mandera County’s urban centers—specifically Mandera and Elwak—into resilient and competitive hubs is a central pillar of the County Government’s development agenda. This Private Sector Engagement Framework (PSEF) is established as a formal policy of the County Government of Mandera, designed to move urban management from isolated public sector planning toward a collaborative, multi-stakeholder model.

In a rapidly evolving urban landscape, the County Government recognizes that the public sector alone cannot address the multi-faceted challenges of urban growth, infrastructure demand, and service delivery. Strategic partnership with the private sector is essential to unlock capital, stimulate innovation, and enhance the overall competitiveness of our municipalities.

Based on a detailed analysis of the Mandera County urban landscape, the context for this framework is defined by the following key pillars:

- **Economic Structure:** Mandera and Elwak serve as critical regional trade nodes within the Horn of Africa "Border Triangle." The urban economy is characterized by a strong Wholesale and Retail sector (approx. 41.6%) and a vital Livestock and Agri-business value chain (19.8%). This framework is tailored to support these specific economic drivers by aligning municipal services with business needs.
- **Enterprise Demographic:** Analysis of the current county business registry confirms that 82% of the private sector is comprised of Micro and Small Enterprises (MSMEs). This high concentration necessitates a framework that prioritizes "Ease of Doing Business," simplified regulatory compliance, and the provision of localized infrastructure such as artisan centers and organized market spaces.
- **Strategic Alignment:** This framework is developed in strict accordance with the Second Kenya Urban Support Programme (KUSP II) and the Urban Areas and Cities Act (2011, amended 2019). It integrates private sector priorities into the County’s statutory planning cycles, including the County Integrated Development Plan (CIDP) and the Annual Development Plan (ADP).
- **A Shift to Evidence-Based Governance:** Moving beyond ad-hoc meetings, this framework institutionalizes the use of data-collection tools—such as stakeholder databases and sectoral surveys—ensuring that the feedback received from the private sector is analyzed and used as formal evidence for municipal planning and budgeting.

By establishing this PSEF, the County Government of Mandera reaffirms its commitment to a transparent and inclusive governance model that leverages the strength of the private sector to build secure, well-governed, and sustainable urban areas for all residents.

1.2 The Rationale for Formalized Public-Private Engagement

The transition from informal consultation to a formalized Private Sector Engagement Framework (PSEF) in Mandera County is necessitated by a complex array of economic, fiscal, and administrative imperatives. The rationale for this framework is built upon four foundational pillars:

I. Addressing the Infrastructure Financing Deficit

Mandera County's urban infrastructure requirements—spanning from climate-resilient drainage systems to digitized transport terminals—far exceed the traditional budgetary allocations provided by the National Exchequer and Own-Source Revenue (OSR).

- **The Funding Gap:** Current projections indicate a multi-billion-shilling gap in the capital investment required to realize the Mandera and Elwak Municipal Integrated Development Plans (IDePs).
- **The Private Sector Solution:** A formalized framework provides the legal "de-risking" necessary to attract private capital. By creating clear pathways for Public-Private Partnerships (PPPs), the County can leverage private investment for high-impact projects like the Mandera Modern Market or solar-powered street lighting grids, ensuring that municipal development is not stalled by public funding cycles.

II. Enhancing Local Economic Competitiveness and the "Cost of Doing Business"

In the competitive landscape of the IGAD (Intergovernmental Authority on Development) corridor, Mandera and Elwak must compete with other regional hubs for trade and investment.

- **Reducing Bottlenecks:** Formal engagement allows for the systematic identification of "regulatory friction"—such as inefficient licensing, lack of clear zoning for industrial activities, and unpredictable municipal bylaws.
- **Investor Confidence:** A predictable framework signals to both local and international investors that Mandera is governed by transparent rules rather than ad-hoc administrative decisions. This institutional stability is the primary driver of long-term capital retention in frontier economies.

III. Transitioning to Data-Integrated Urban Management

A core rationale for this framework is the elimination of the "Information Asymmetry" that currently exists between the County Government and the business community.

- **Precision Planning:** Without a detailed, sector-coded business database, the Urban Boards are planning in a vacuum. A formalized PSEF mandates the integration of Single Business Permit (SBP) data with Geospatial (GIS) mapping.
- **Service Delivery Alignment:** This allows the department to align infrastructure projects with actual economic clusters. For example, engineering road upgrades specifically to support the high-tonnage requirements of cross-border logistics firms or placing water points at high-density livestock trade zones.

IV. Compliance with KUSP II Institutional Performance Standards

Under the Second Kenya Urban Support Program (KUSP II), the flow of Urban Development Grants (UDG) is strictly performance-linked.

- **Mandatory Requirements:** The PSEF is a direct response to Minimum Condition 8 (MC8) and Performance Standard 11 (PS11).
- **Technical Benchmarking:** By formalizing this framework, Mandera County is not just complying with a donor requirement; it is adopting a global best-practice standard for municipal excellence. This ensures that the County remains eligible for maximum funding allocations, which are essential for the Director of Administration's office to execute large-scale urban reforms.

V. Strategic Risk Mitigation

Formalization provides a shield against political and social volatility. By institutionalizing dialogue through the Public-Private Dialogue Forums (PPDF), the County ensures that urban policies are co-owned by the community. This "Buy-In" reduces the risk of resistance to new municipal bylaws, tax adjustments, or land-use changes, as the private sector will have been part of the technical design of these policies from the outset.

1.3 The Current State of Engagement in Mandera County

To establish a roadmap for the future, it is necessary to conduct a candid and rigorous appraisal of the current status of public-private interaction within the County. Historically, the engagement between the Mandera County Government and the private sector has been functional but limited—primarily characterized by an informal, reactive, and transactional relationship. This subsection details the specific gaps and structural limitations that the PSEF is designed to rectify.

I. The Transactional Nature of Current Relations

Currently, the primary touchpoint between the Municipality and the private sector is the issuance of the Single Business Permit (SBP). This interaction is largely administrative and extraction-focused.

- **Revenue vs. Service Loop:** Business owners view the County primarily through the lens of tax and fee collection. There is a lack of a structured feedback loop where the private sector can hold the Municipality accountable for the quality of services (e.g., waste management, drainage, security, and market infrastructure) provided in exchange for these levies.
- **One-Way Communication:** Information typically flows from the government to the private sector in the form of directives, enforcement notices, or fee adjustments, with limited opportunities for businesses to influence the design of these policies before they are implemented.

II. Ad-Hoc and Informal Advocacy Channels

While Mandera boasts a vibrant business community, their advocacy is currently fragmented.

- **Fragmentation of Voices:** While organizations like the Kenya National Chamber of Commerce & Industry (KNCCI) Mandera Chapter exist, many smaller associations—such as the Mandera Livestock Traders Association, Public Transport/Matatu Saccos, and various Market Committees—operate in silos.
- **Crisis-Driven Engagement:** Engagement often only occurs when a specific problem arises—such as a fire in a market, a dispute over licensing, or a major infrastructure failure. This "firefighting" approach prevents the development of long-term, strategic partnerships that could anticipate and prevent such crises.

III. Underutilization of Sector-Specific Expertise

The current model treats the private sector as a monolithic entity. However, Mandera's economy is composed of distinct sectors with wildly different technical and infrastructure requirements.

- **Lack of Targeted Dialogue:** There are no specialized forums for Cross-Border Logistics, Agro-pastoralism, or the Artisan/Jua Kali sector. Consequently, the specific engineering and administrative needs of these high-impact sectors are often overlooked in the general County Integrated Development Plan (CIDP) public participation sessions, which are often too broad to address technical business bottlenecks.

IV. The Information Vacuum and Data Gaps

From an administrative and engineering perspective, the most significant gap is the lack of synchronized data.

- **Decentralized Data:** Information regarding the number, type, and location of businesses is often stored in manual ledgers or disconnected digital silos within the Revenue Board.
- **The Spatial Deficit:** There is currently no live linkage between business registration and the GIS (Geographical Information System) mapping of the Municipalities. This makes it difficult for the Department of Lands, Housing, and Urban Development to plan infrastructure projects—such as road expansions or utility extensions—with precision based on actual business density and growth trends.

V. Limited Engagement in the Planning and Budgeting Cycle

While the law mandates public participation, the private sector's role in the Annual Urban Plan (AUP) and the County Fiscal Strategy Paper (CFSP) remains peripheral.

- **Late-Stage Involvement:** Business leaders are often invited to participate in the budget process at a stage where the core priorities have already been set. The lack of a formal "seat at the table" during the initial technical drafting phases means that projects critical to local economic growth (e.g., specialized cold chain storage or improved border-point processing) are frequently omitted or underfunded.

1.4 Objectives of the Mandera PSEF

The overarching goal of the Private Sector Engagement Framework (PSEF) is to fundamentally restructure the relationship between the County Government and the business community, moving from a paradigm of "Governance by Regulation" to "Governance by Partnership."

The two Municipalities of Elwak and Mandera are tasked with ensuring these objectives are not merely aspirational but are translated into measurable, technical outcomes. The specific objectives of this framework are categorized into four strategic dimensions:

I. Institutionalization of Public-Private Dialogue (PPD)

The primary objective is to create a permanent, legally recognized "seat at the table" for the private sector in the management of Mandera and Elwak Municipalities.

- **Establishment of Standing Forums:** To formalize the Public-Private Dialogue Forums (PPDF) as the official vehicle for engagement, ensuring they meet bi-annually and align with the County's budget and planning cycles.

- **Structured Feedback Loops:** To create a mechanism where the private sector can provide technical input on municipal bylaws, fee structures, and urban policies *before* they are enacted into law.

II. Development of a Data-Driven Urban Economic Registry

This framework aims to solve the "Information Vacuum" by building a sophisticated digital asset that serves as the foundation for all municipal engineering and administrative decisions.

- **Spatial Integration:** To link the Single Business Permit (SBP) database with the GIS (Geographical Information System) unit. This will enable the mapping of economic clusters, allowing the Department to prioritize infrastructure (e.g., street lighting, paved roads, and drainage) exactly where the highest concentration of business activity exists.
- **Sectoral Segmentation:** To categorize the business community into functional clusters (e.g., Cross-Border Trade, Livestock Value-Addition, Hospitality, and Jua Kali) to allow for specialized, sector-specific diagnostics.

III. Bridging the Infrastructure and Service Delivery Gap

A key objective is to leverage private sector efficiency and capital to supplement limited public resources.

- **Co-Creation of Infrastructure:** To identify and package "bankable" municipal projects—such as the modernization of both the Manderia Central Market and Jamhuriya Markets or the establishment of a Cross-Border Logistics Hub—that are attractive for private investment or management under Public-Private Partnership (PPP) models.
- **Performance Accountability:** To establish shared Key Performance Indicators (KPIs) for municipal services, ensuring that the private sector's contribution through taxes and fees is matched by measurable improvements in waste collection, water supply, and urban security.

IV. Fulfilment of KUSP II Institutional Performance Standards

This framework serves as a critical compliance document to ensure Manderia County remains a top-tier participant in the Second Kenya Urban Support Program.

- **Meeting Grant Conditions:** To directly satisfy the requirements of Minimum Condition 8 (MC8) and Performance Standard 11 (PS11), which mandate a functional PSEF as a prerequisite for the disbursement of Urban Development Grants (UDG).

- **Institutional Capacity Building:** To equip the Urban Boards and the Municipal Secretariats with the professional skills required to negotiate, manage, and sustain long-term partnerships with sophisticated private sector actors.

V. Strengthening Regional and Cross-Border Trade Resilience

Given Mandera's strategic location, this framework explicitly seeks to optimize our role in the Horn of Africa's economy.

- **Facilitation of Cross-Border Synergy:** To work with the private sector to identify and remove bottlenecks at the Mandera-Belet Hawa and Mandera-Suftu crossing points, turning the municipality into a seamless logistics corridor.
- **SME and Informal Sector Formalization:** To provide a pathway for informal traders—particularly women and youth in the livestock and retail sectors—to access municipal support, credit, and better trading facilities through organized associations.

1.5 Legal Foundation and Policy Alignment

For the Private Sector Engagement Framework (PSEF) to be enforceable and sustainable, it must be anchored within the existing hierarchy of Kenyan law and Mandera County's legislative landscape. This framework is not an isolated administrative directive; it is a localized expression of several constitutional and statutory mandates.

I. The Constitutional Mandate (2010)

The overarching authority for this framework is derived from the Constitution of Kenya, 2010, which transitioned the country from a centralized to a devolved system of governance.

- **Article 10 (National Values and Principles of Governance):** Specifically cites "public participation" and "transparency" as core requirements for any government action. The PSEF is the mechanical tool that fulfills this constitutional requirement for the business community.
- **Article 174 (Objects of Devolution):** Mandates the state to give powers of self-governance to the people and enhance the participation of people in the exercise of the powers of the state and in making decisions affecting them.
- **Article 184 (Urban Areas and Cities):** Requires that national legislation provide for the participation of residents in the management of urban areas and cities.

II. National Statutory Framework

The PSEF aligns with several key Acts of Parliament that regulate urban management and private sector investment:

- The Urban Areas and Cities (Amendment) Act, 2019: This is the most critical statute for the Urban Boards of Mandera and Elwak. Section 21 and the Second Schedule of the Act explicitly mandate urban boards to create mechanisms for the participation of residents and the private sector in the delivery of services and the formulation of integrated development plans.
- The County Government Act, 2012: Sections 87 through 91 provide the legal basis for "Citizen Participation." It requires County Governments to establish structures for the participation of "organized groups" and "the private sector" in administrative processes and the development of the County Integrated Development Plan (CIDP).
- The Public-Private Partnerships (PPP) Act, 2021: This Act provides the legal framework for the "Co-Investment" objective of this PSEF. It outlines how Mandera County can enter into contracts with private parties for the design, financing, construction, or maintenance of municipal infrastructure.
- The Data Protection Act, 2019: Since the PSEF involves the creation of a Private Sector Database, all data collection and storage processes defined in this framework are legally bound to comply with the privacy and confidentiality standards set by this Act.

III. County-Level Legislative Alignment

To ensure the PSEF has "teeth" at the local level, it is aligned with Mandera's specific legislative instruments:

- The Mandera County Integrated Development Plan (CIDP III): The PSEF is the operational vehicle for the CIDP's "Economic and Trade Pillar." It ensures that the high-level goals of "Industrialization" and "Trade Facilitation" are translated into municipal-level actions.
- The Mandera County Public Participation Act: This provides the localized legal procedure for how the County Executive must engage with stakeholders. The PSEF formalizes the Public-Private Dialogue Forums (PPDF) as a specialized branch of this broader participation mandate.
- Mandera and Elwak Municipal Charters: These charters, which established the Municipal Boards, explicitly empower the boards to enter into partnerships and engage stakeholders to improve urban livability and economic vitality.

IV. KUSP II Regulatory Compliance

The PSEF is a technical response to the World Bank's Program-for-Results (PforR) requirements under the Second Kenya Urban Support Program (KUSP II).

- Minimum Condition 8 (MC8): Mandates that a participating county must demonstrate a functional framework for engaging the private sector.
- Performance Standard 11 (PS11): Requires the actual evidence of engagement, such as the existence of a business database and minutes of dialogue forums, to unlock Urban Development Grants (UDG).

V. Regional Policy Alignment (IGAD and AfCFTA)

Given our geography, this framework supports the African Continental Free Trade Area (AfCFTA) and the Intergovernmental Authority on Development (IGAD) protocols by streamlining the local business environment for cross-border trade, thereby positioning Mandera as a compliant and efficient node in the regional supply chain.

1.6 Implementation of the Second Kenya Urban Support Program (KUSP II)

The implementation of the Second Kenya Urban Support Program (KUSP II) serves as the primary administrative and fiscal catalyst for the structural reforms outlined in this framework. KUSP II represents a decisive shift from the infrastructure-only focus of previous urban programs toward a model that prioritizes Institutional Strengthening, Economic Resilience, and Social Inclusion. Within the context of Mandera and Elwak Municipalities, this program provides the necessary resources and performance-based incentives to bridge the gap between municipal governance and private sector vitality.

I. The Performance-for-Results (PforR) Mechanism

KUSP II operates on a Program-for-Results financing model, where the disbursement of fiscal resources is strictly tied to the verified achievement of specific Disbursement Linked Indicators (DLIs). This PSEF is a technical response to these mandates:

- The Role of the PSEF in Compliance: The establishment and active management of this framework is a prerequisite for satisfying Minimum Condition 8 (MC8). This condition acts as a gateway; without a functional framework, the municipalities risk forfeiting access to the Institutional Development Grants (IDG) required for administrative operations.
- Performance Standard 11 (PS11): Beyond mere adoption, KUSP II evaluates the *depth* of engagement. Under PS11, the county must demonstrate evidence of a "living" partnership, characterized by a verified and geo-referenced business database, documented minutes from dialogue forums, and clear evidence that private sector priorities have influenced the Annual Urban Plans (AUP).

II. Strategic Utilization of Urban Development Grants (UDG)

The Urban Development Grant (UDG) is the primary vehicle for large-scale capital investment in municipal infrastructure. Under KUSP II, the utilization of these funds must be consultative:

- **Evidence-Based Infrastructure Prioritization:** KUSP II mandates that capital projects—such as the modernization of bus parks, the construction of storm-water drainage systems, or the upgrading of market stalls—must be identified through structured consultation with the business community. This ensures that multi-million-shilling investments serve as genuine economic catalysts rather than isolated engineering projects.
- **Resilience and Inclusion:** The program emphasizes climate-smart urban development. Through this framework, the private sector—as the primary bearer of economic risk from climate shocks—is integrated into the design of resilience strategies, ensuring that municipal infrastructure projects and promotes local commerce.

III. Institutional Architecture for KUSP II Execution

The successful delivery of KUSP II objectives is managed through a tiered administrative structure designed for maximum accountability:

- 1) **The County Urban Coordination Unit (CUCU):** This unit provides the overarching strategic alignment, ensuring that urban reforms are integrated into the broader county development agenda.
- 2) **Municipal Secretariats:** Led by the Municipal Managers, these units serve as the operational frontline. They are responsible for the daily maintenance of the Private Sector Database and the logistical coordination of the Public-Private Dialogue Forums.
- 3) **The Urban Boards:** As the policy-making bodies for the municipalities, the Boards utilize the outputs of this framework to ensure that municipal bylaws, zoning regulations, and budget allocations are responsive to the economic realities of the private sector.

IV. Capacity Building and Technical Assistance

A significant component of KUSP II is the provision of "Soft Infrastructure" support. This framework leverages program resources to:

- Enhance the technical skills of county staff in areas such as Public-Private Partnership (PPP) negotiation and contract management.

- Deploy digital tools for Geographical Information System (GIS) mapping of business clusters, facilitating a transition to high-precision urban management.
- Empower local business associations through training, enabling them to engage with the government as sophisticated, data-driven advocacy partners.

V. Sustainability and Long-Term Systems Building

The ultimate goal of implementing KUSP II is to build enduring institutional systems that function independently of external funding cycles. By embedding the PSEF into the standard operating procedures of Mandera and Elwak Municipalities, the county is ensuring a permanent shift toward transparent, collaborative, and investment-friendly urban governance. This systematic approach ensures that the dialogue between the government and the creators of wealth remains a permanent feature of the municipal landscape.

1.7 Development of the Framework

The development of this framework was anchored on a 'Participatory Diagnostic Approach' conducted between June and August 2025. Unlike a top-down policy imposition, the Mandera PSEF was refined through a series of 'Business Environment Deep-Dives' involving the Kenya National Chamber of Commerce and Industry (KNCCI) Mandera Chapter and various sectoral Saccos. These sessions moved beyond generalities to identify specific 'pain points'—such as the 48-hour turnaround delay in livestock transport permits and the lack of dedicated artisan zones for the Jua Kali sector. By grounding the framework in these specific operational bottlenecks, the resulting policy is a responsive blueprint for municipal reform.

I. Methodological Approach

The development process followed a "Bottom-Up, Top-Down" hybrid methodology. This ensured that while the framework meets the high-level performance standards required at the national and international levels, it remains deeply rooted in the practical realities of the Mandera and Elwak business environments.

- **Top-Down Alignment:** The process commenced with a comprehensive review of the National Private Sector Engagement Framework guidelines. This ensured that the structural components—such as the PPDF mechanisms and database requirements—were aligned with the KUSP II technical manuals.
- **Bottom-Up Localization:** The framework was then subjected to a localization lens. This involved analyzing the specific sectoral composition of Mandera's economy, acknowledging the dominance of cross-border trade and livestock value chains,

and adjusting the engagement strategies to suit these non-traditional urban economic drivers.

II. The Drafting and Review Phases

The document evolved through three distinct phases of development:

- 1) Phase 1: Diagnostic and Baseline Mapping: The technical team conducted an internal audit of existing engagement practices. This phase identified the "informality gap" and established the baseline for the current state of public-private interaction.
- 2) Phase 2: Technical Drafting and Iteration: Led by the Department of Lands, Housing, and Urban Development, this phase involved the drafting of the framework's core pillars. Special attention was paid to the integration of GIS-based spatial mapping and the definition of roles for the Municipal Boards and Secretariats.
- 3) Phase 3: Legal and Policy Scrutiny: The draft underwent a rigorous review to ensure strict compliance with the Urban Areas and Cities Act and the Public-Private Partnerships Act. This phase ensured that every objective in the framework is backed by a corresponding legal mandate.

III. Consultative Synthesis

Central to the development of this framework was the principle of "Participation by Design."

- Recognizing that private sector engagement spans multiple disciplines, the development process involved consultations with the County Revenue Board, the Department of Trade, and the ICT Directorate. This ensured that the framework is a "Whole-of-Government" document rather than a siloed departmental policy.
- Preliminary discussions with key business leaders and association representatives provided critical insights into the practical barriers businesses face when interacting with the municipality. Their feedback on the "cost of doing business" directly influenced the design of the Business Environment Diagnostics section of this framework.

IV. Anchoring in Technical Excellence

The development phase prioritized the creation of a "Results-Oriented" document. Unlike traditional policy papers that focus on broad aspirations, this framework was developed to be a Technical Manual. Every subsection was drafted with a focus on implementation—defining exactly who is responsible, what data is required, and how success will be measured against the KUSP II Performance Standards.

V. Final Validation and Adoption

The final stage of development involved a validation process by the senior leadership of the Department of Lands, Housing, and Urban Development. By securing the technical endorsement of the County Chief Officer and the policy approval of the County Executive Committee Member, the framework was successfully transitioned from a draft document to an official county policy instrument. This rigorous developmental journey ensures that the PSEF is a robust, "audit-ready" document capable of driving Manderā's urban economic transformation.

1.8 Approach to the PSE Framework

The approach to the Private Sector Engagement Framework (PSEF) for Manderā County is founded on a Systemic, Integrated, and Evidence-Based methodology. It moves away from the traditional, fragmented method of consultation and adopts a structured "Cycle of Engagement." This approach ensures that every interaction between the Urban Boards and the private sector is purposeful, documented, and linked to a specific administrative or engineering outcome.

I. The Cycle of Integrated Engagement

The framework follows a four-stage iterative loop designed to ensure continuity and accountability:

- 1) Identification and Mapping (The Data Entry Point): Every business in Manderā and Elwak is treated as a stakeholder. The approach starts with the rigorous collection of data through the SBP process, ensuring we have a granular understanding of "who" and "where" our partners are.
- 2) Diagnostic Analysis (The Technical Entry Point): Once mapped, the approach shifts to identifying sector-specific challenges. We do not assume the needs of a livestock trader are the same as those of a cross-border transporter; we diagnose them separately.
- 3) Dialogue and Consensus (The Policy Entry Point): The PPDF forums serve as the technical engine of the framework, where raw data and diagnostic findings are converted into policy priorities and infrastructure requests.
- 4) Action and Monitoring (The Results Entry Point): The final stage of the approach is the integration of these priorities into the Annual Urban Plans (AUP) and tracking their implementation.

II. A "Whole-of-Municipality" Approach

Engagement is not viewed as a siloed task for the Municipal Manager alone. It is an integrated approach that requires:

- Horizontal Integration: Cooperation between the Department of Lands, Housing, and Urban Development and other line departments (Water, Trade, Finance, and ICT).
- Vertical Integration: Ensuring that the priorities set at the Municipal Board level are reflected in the County-wide CIDP and the National KUSP II reporting frameworks.

III. The Multi-Sectoral Segmentation Strategy

To ensure high-quality engagement, our approach deliberately segments the private sector into functional clusters. This allows for targeted dialogue that addresses the specialized engineering requirements of different industries:

- The Cross-Border Logistics Cluster: Focusing on transit facilities and border-point efficiency.
- The Agri-Livestock Cluster: Focusing on value-addition facilities, specialized markets, and veterinary logistics.
- The Urban Service & MSME Cluster: Focusing on retail infrastructure, sanitation, and street-level security.

IV. The "No-Business-Left-Behind" Inclusion Strategy

A core tenet of our approach is the inclusion of the informal sector. In Mandera, the informal economy (street vendors, small-scale artisans, and milk traders) constitutes a massive portion of urban activity. The framework approaches these groups not as "unauthorized actors" but as "emerging partners," providing them with structured avenues to voice their needs for market space and protection.

1.9 Principles of the PSEF

The Private Sector Engagement Framework (PSEF) is anchored on a set of fundamental principles that govern the conduct, expectations, and interactions between the Mandera County Government and private sector actors. These principles ensure that engagement is not merely a procedural exercise but a value-driven partnership that fosters long-term institutional trust.

I. Inclusivity and Diversity of Voice

Urban development must reflect the needs of the entire economic spectrum. This principle ensures that engagement is not dominated by "elite capture" or large-scale enterprises alone.

- **Broad Spectrum Representation:** The framework actively seeks the participation of micro, small, and medium enterprises (MSMEs), women-led businesses, youth entrepreneurs, and the informal sector.
- **Geographic Equity:** Engagement strategies must ensure that businesses in both Mandera and Elwak Municipalities, as well as emerging peri-urban centers, have equal access to dialogue platforms.

II. Transparency and Open Communication

Trust is the currency of public-private partnerships. To maintain this trust, the department commits to full transparency in its dealings.

- **Information Symmetry:** The County Government will proactively share information regarding proposed municipal bylaws, budget allocations for urban infrastructure, and the criteria for project selection under KUSP II.
- **Open Data:** While respecting privacy, the aggregate results of the Private Sector Database and the Diagnostics will be made available to stakeholders to ensure they are operating from a shared base of facts.

III. Mutual Accountability and Reciprocity

The PSEF is a "Two-Way Street" where both the public and private sectors hold each other to high performance standards.

- **Government Commitment:** The County commits to delivering high-quality municipal services (e.g., sanitation, lighting, and roads) in exchange for the taxes and fees collected.
- **Private Sector Commitment:** In return for a seat at the table, the private sector commits to compliance with municipal regulations, timely payment of licenses, and active participation in the co-maintenance of urban assets.

IV. Evidence-Based and Data-Driven Decision Making

To move away from political or ad-hoc decision-making, this framework prioritizes technical rigor.

- **Technical Integrity:** Decisions regarding infrastructure prioritization must be backed by the data from the Private Sector Diagnostic and GIS mapping.
- **Results Orientation:** Every dialogue session must result in actionable "Minutes of Resolution" with clear timelines and designated responsible officers, ensuring that talk leads to tangible engineering or administrative output.

V. Neutrality and Fair Competition

The framework ensures a "Level Playing Field" for all market participants.

- **Non-Discrimination:** Engagement will be conducted without bias toward any specific political, ethnic, or social affiliation.
- **Market Integrity:** The PSEF will not be used as a tool to create monopolies or provide unfair advantages to specific firms. Instead, it focuses on improving the "Business Ecosystem" for all participants.

VI. Sustainability and Climate Resilience

Given Mandera’s environmental context, all engagements must prioritize the long-term viability of the urban environment.

- **Green Partnership:** The framework encourages private sector innovation in green energy, sustainable waste management, and climate-resilient construction.
- **Future-Proofing:** Engagement focuses on building urban systems that can withstand the unique environmental pressures of the Northern Frontier, ensuring that today’s investments remain functional for future generations.

1.10 Key Actors and Roles

The successful operationalization of the Private Sector Engagement Framework (PSEF) relies on a structured distribution of responsibilities across various levels of the County Government and the private sector. The following table outlines the specific technical, administrative, and policy roles for each key actor.

Actor	Primary Role	Specific Responsibilities
County Executive (Governor & CECM)	Strategic Stewardship & Policy Direction	<ul style="list-style-type: none"> • Formal approval and adoption of the PSEF as a county policy. • Ensuring alignment with the CIDP III and the Governor’s Manifesto. • Facilitating inter-departmental cooperation (e.g., Finance, Trade, and Water). • Providing political goodwill to de-risk private sector investments.
County Chief Officer (CCO)	Accounting & Administrative Oversight	<ul style="list-style-type: none"> • Overall technical supervision of the KUSP II implementation. • Authorizing budgetary allocations for PSEF activities (e.g., PPDF forums).

		<ul style="list-style-type: none"> • Ensuring that municipal infrastructure priorities are integrated into the County Fiscal Strategy Paper (CFSP). • Monitoring the performance of Municipal Managers against PSEF KPIs.
Urban Boards (Mandera & Elwak)	Governance & Oversight	<ul style="list-style-type: none"> • Presiding over the Public-Private Dialogue Forums (PPDF). • Approving municipal bylaws and zoning regulations influenced by private sector input. • Identifying and approving "bankable" municipal projects for private co-investment. • Holding the Municipal Secretariat accountable for service delivery standards.
Municipal Managers & Secretariat	Operational Execution	<ul style="list-style-type: none"> • Maintenance and regular updating of the GIS-integrated Business Database. • Conducting the Annual Business Environment Diagnostics. • Logistical coordination of the bi-annual PPDF sessions. • Documenting dialogue resolutions and tracking their implementation in the Annual Urban Plan (AUP).
Municipal Technical Lead	Technical Coordination & Compliance	<ul style="list-style-type: none"> • Managing the daily administrative integration of the framework. • Ensuring strict compliance with KUSP II Minimum Condition 8 (MC8). • Overseeing the synchronization of the Private Sector Database with the Revenue Board. • Coordinating the drafting of technical reports for the World Bank/National Government.

<p>Private Sector Organizations (e.g., KNCCI)</p>	<p>Advocacy & Strategic Partnership</p>	<ul style="list-style-type: none"> • Acting as the organized voice for the business community. • Mobilizing members to participate in data collection and diagnostic surveys. • Providing technical feedback on proposed municipal policies and tax regimes. • Co-managing or maintaining specific municipal assets when agreed upon.
<p>Department of Trade & Revenue Board</p>	<p>Data & Regulatory Support</p>	<ul style="list-style-type: none"> • Providing raw data from the Single Business Permit (SBP) system. • Streamlining licensing procedures based on feedback from the PPDF. • Collaborating on the formalization strategies for the informal sector.

1.11 Benefits of Adopting the Private Sector Engagement Framework

The adoption of a formalized Private Sector Engagement Framework (PSEF) serves as a catalyst for a "Win-Win" ecosystem. For the Mandera County Government, it provides the technical and fiscal tools to achieve municipal excellence; for the Private Sector, it creates a predictable and supportive environment for capital growth.

By integrating sector-specific inputs, the Municipality achieves 'De-risked Urban Investment.' Private sector feedback has already influenced the prioritization of climate-resilient infrastructure under KUSP II, with a focus on 'all-weather' access to cross-border trade nodes. For the civil engineering departments, this means designs are no longer based on theoretical models alone, but are 'Stress-Tested' by the actual users—the logistics firms and traders who navigate these routes daily. This ensures that every shilling of the Urban Development Grant (UDG) is directed toward infrastructure that provides the highest return on investment for the local economy.

The following benefits highlight the transformative potential of this framework:

I. For the Mandera County Government

- **Enhanced Revenue Mobilization:** By improving the relationship between the tax-collector and the taxpayer, the framework fosters "voluntary compliance." As businesses see their feedback translated into better market roads and security, the willingness to pay Single Business Permits (SBP) and other municipal levies increases, expanding the County's Own-Source Revenue (OSR).

- **De-risked Infrastructure Investment:** The framework allows the County to identify "bankable" projects. By involving the private sector in the design phase, the County can leverage Public-Private Partnerships (PPPs) to fund large-scale projects (like cold-storage facilities or modern bus parks) that would otherwise be unaffordable under the traditional budget.
- **Technical Compliance and Grant Access:** Active implementation of the PSEF ensures Mandera remains in full compliance with KUSP II performance standards. This secures the continued flow of Institutional Development Grants (IDG) and Urban Development Grants (UDG), which are vital for the department's operations.
- **Evidence-Based Urban Planning:** With the Private Sector Database and GIS mapping, the department moves away from "guesswork." Engineering interventions and administrative resources are deployed with surgical precision to the areas with the highest economic density.

II. For the Private Sector and Business Community

- **Reduction in the "Cost of Doing Business":** By identifying and removing regulatory bottlenecks through the Business Environment Diagnostics, the framework reduces the time and money businesses spend on bureaucracy, licensing hurdles, and inefficient municipal services.
- **Predictability and Policy Stability:** Businesses thrive on certainty. The PSEF ensures that municipal bylaws, tax regimes, and zoning changes are not sprung on the community overnight but are discussed and refined through the Public-Private Dialogue Forums (PPDF).
- **Improved Infrastructure and Service Delivery:** Formalized engagement ensures that the private sector's priorities—such as reliable water for hotels, specialized drainage for markets, or paved access for logistics hubs—are at the top of the Annual Urban Plan (AUP).
- **Formalization and Growth Pathways:** For the informal sector and MSMEs, the framework provides a bridge to formalization. By being recognized as organized stakeholders, small-scale traders gain better access to municipal support, credit facilities, and secure trading spaces.

III. For the General Public and Residents

- **Job Creation and Economic Vitality:** As the private sector grows due to a better business environment, more employment opportunities are created for the youth of Mandera and Elwak.
- **Enhanced Urban Livability:** The collaboration results in cleaner, safer, and better-organized towns. Efficient waste management and functional street lighting—driven by public-private oversight—benefit every resident, not just business owners.

2. COMPONENTS OF THE PSEF

The following are components considered as essential building blocks for effective engagement with the private sector for urban planning and development and inclusive, competitive business environments:

1. Private sector database: Access to up-to-date data on the composition of the private sector to facilitate targeted engagement and provide data for economic and statistical analysis to inform urban policy and planning;
2. Private sector diagnostic: Diagnostics to assess the business environment, identify constraints, and propose interventions. This may involve the use of existing tools like the World Bank Toolkit for Competitive Counties to analyze and define institutional and regulatory frameworks, infrastructure, skills, and enterprise interventions;
3. Public-private dialogue forums (PPDFs): Regular, structured dialogues with private sector actors to align policy and investment priorities. The PPDFs will inform annual urban plans and investment priorities and provide feedback loops for continuous improvement. Urban boards should encourage business entities to affiliate and form/join business associations, which apply for accreditation, allowing for more structured engagement and credibility;
4. Capacity building and outreach: To build capacity of the private sector.
5. Communication and feedback channels: To facilitate two-way communication for inclusive and continuous dialogue; and
6. Institutional arrangements and resource framework: To ensure effective and efficient implementation of the PSEF, institutional arrangements, coordination and resource (human and capital) allocations are critical.

The details of the components are provided below:

2.1 Private Sector Database for Urban Boards

In the specific operational context of Mandera and Elwak Municipalities, where revenue collection is already decentralized and managed at the municipal level, the Private Sector Database serves as the primary technical intelligence unit. For the Urban Boards to move from reactive administration to proactive economic planning, they must maintain a granular, data-driven understanding of the businesses operating within their jurisdictions. This database is not merely a byproduct of revenue collection; it is the essential prerequisite for all subsequent outreach, communication, and relationship-building activities required under the KUSP II framework.

The data is necessary for urban boards to better engage the private sector players in dialogue and action. The data supports outreach, communication, and relationship-building with the private sector.

The Stakeholder Database (as detailed in Annex 6) is a direct response to the private sector's request for 'Information Symmetry.' During consultations, 68% of local MSMEs reported that they felt disconnected from municipal procurement and planning cycles. Consequently, the database has been designed as a dynamic 'Engagement Ledger' that categorizes businesses not just by size, but by their 'Spatial Impact' (location-based needs) and 'Technical Specialization.' This allows the Municipal Board to issue targeted alerts for infrastructure projects—such as the Manderu Livestock Market development, and Jua Kali Artisan Centers—directly to the relevant stakeholders, ensuring they have a seat at the table during the design phase rather than just the implementation phase.

I. Strategic Rationale and Objectives

The establishment of a centralized database is not merely an administrative exercise; it is a prerequisite for fulfilling the Minimum Condition 8 (MC 8) requirements of the KUSP II program. In the context of Manderu's frontier economy, this database achieves the following:

- **Targeted Outreach and Relationship Management:** It allows the Municipal Secretariats to identify the correct stakeholders for specific dialogue forums, ensuring that a livestock exporter or a cross-border logistics firm is consulted on the specific infrastructure that impacts their value chain.
- **Infrastructure Prioritization:** By analyzing business clusters, the Board can justify the allocation of Urban Development Grants (UDG) toward high-impact projects, such as specialized drainage in artisan hubs or street lighting in high-traffic retail corridors.
- **Crisis Resilience:** The database provides a rapid communication channel for emergency alerts, which is critical for Manderu's business community during seasonal flood risks or security-related market closures.

II. Sources of Data and Institutional Synergy

In Manderu and Elwak, where revenue collection is already decentralized to the municipal level, the data ecosystem is uniquely positioned for high-fidelity integration:

- **The Single Business Permit (SBP) Gateway:** The municipal revenue departments serve as the primary custodians of enterprise data. During the annual permitting process, significant data is gathered on every licensed entity. This framework mandates that the revenue desk grants the Urban Board's planning unit full access to disaggregated, municipal-specific data to serve as the baseline for the private sector registry. To facilitate this access, it may be necessary for the county SBP application forms and/or online platforms to be modified:

- 1) To incorporate a field to capture the urban area (city or municipality) of operation through a standard dropdown list of all urban areas to facilitate data disaggregation and sharing to the respective urban area¹. While the business location/address (in some cases GIS coordinates) is included fields for urban area i.e., the city/municipality of operation are not as these are relatively new administrative jurisdictions.
- 2) Other data fields which may be incorporated to enrich the information gathered on business entities to better engage in dialogue and action include geo-location (GIS coordinates), years in operation, number of employees, business affiliation. See Annex 03 for the list of fields already in the SBP application form and additional fields suggested.
- 3) To establish data access protocols that allow urban boards access to relevant disaggregated business data on entities within their jurisdiction.
 - Complementary County Databanks: To build a "360-degree" view of the private sector, the database will ingest information from municipal property rolls and land registries. This allows the Board to link a business entity to its physical land footprint and utility usage.
 - Collaborative Inputs from Organized Groups: The Kenya National Chamber of Commerce and Industry (KNCCI) Manderla Chapter and localized trade associations provide a vital bridge to the business community. These organizations possess membership data that can be shared to validate and enrich government records, particularly for special interest groups such as women entrepreneurs, youth-led startups, and refugee-led enterprises.
 - National Statistical Alignment: The database will be cross-referenced with the Kenya National Bureau of Statistics (KNBS) County Statistical Abstracts and the Micro and Small Enterprises Authority (MSEA) association registers to ensure Manderla's local data aligns with national economic benchmarks.

III. Optimization and Technical Modification of Data Fields

To address the gaps identified in the Second Annual Performance Assessment (APA 2)—specifically the need for verifiable data sources—the existing municipal SBP platforms and manual forms shall be modified to capture high-resolution technical indicators:

- Administrative Disaggregation: A mandatory dropdown field will be implemented to categorize the place of operation specifically as "Manderla Municipality" or "Elwak Municipality". This ensures that data is not "lost" at the county level but is instead precisely shared with the respective Urban Boards.

- **Spatial Intelligence (GIS Coordinates):** Each business entry must include geo-location data. This allows the Municipality to create spatial "heat maps" of economic activity, which is a key requirement for modern urban planning and development control.
- **Employment and Scale Metrics:** The database will capture the number of employees (full-time and seasonal) and the number of years in operation. This data is used to analyze the "economic health" of various sectors and their impact on local job creation.
- **Business Affiliation and Governance:** Fields will be added to track which trade associations a business belongs to, facilitating the mapping of accredited groups for Public-Private Dialogue (PPD).

IV. Standardized Categorization via KeSIC

Mandera and Elwak will formally adopt the Kenya Standardized Industry Classification (KeSIC) system to categorize all economic activities. This ensures that the municipal database is comparable with international (ISIC Rev 4) and national standards. This standardization achieves:

This standardized approach will:

- a) Improve the efficiency and accuracy of business data analysis and management, leading to more informed decision-making and resource planning.
- b) Support vertical and horizontal data aggregation, leading to better alignment, harmonization, and integration of urban policies and plans, and enable consistent statistical and economic reporting across urban areas and counties. It facilitates implementation of the County Licensing (Uniform Procedures) Act 2024, which seeks to harmonize licensing, regulations, procedures and requirements and fee structures across counties.
- c) Allow for accurate segmentation and clustering of businesses by sector, industry, and activity, facilitating more targeted engagement.
- d) Enable comparative analysis of businesses and markets across counties.
- e) Identify trends and patterns to inform policy development, planning, and resource allocation.

V. Data Management, Visualization, and Spatial Analysis

The Municipal Secretariats, under the direction of the Municipal Managers, are responsible for maintaining a robust database management system. This system will move beyond simple spreadsheets to incorporate:

- **Geo-Mapping and Analytics:** The data will be visualized through interactive maps and charts. For a Civil Engineer, this provides a geographic perspective on supply chains, trade patterns, and infrastructure usage.
- **Pattern Identification:** The system will analyze "pressure points" in urban service delivery—such as identifying if a cluster of hospitality businesses is overwhelming the existing sanitation or water infrastructure in a specific ward.
- **Partnership Identification:** Analysis of the database will reveal private sector resources (e.g., specific equipment or technical expertise) that the Board can tap into through co-management or maintenance partnerships.

VI. Data Privacy, Security, and Public Transparency

The management of this data is a sensitive administrative function that must balance transparency with protection:

- **Statutory Compliance:** All data handling must strictly adhere to the Data Protection Act, 2019. Personal and competitive secrets of businesses will be protected via secure encryption and restricted access protocols.
- **Public Accountability:** In accordance with the Access to Information Act, 2016, aggregated and anonymized reports will be generated from the database. These reports—showing market growth trends and sectoral health—will be published on the official Municipality website.
- **Market Growth Demonstration:** By making general market data publicly accessible, the Urban Boards can demonstrate to regional and international investors that Mandera and Elwak are vibrant, data-transparent, and ready for investment.

VII. Public accessibility to private sector database:

Once established, the urban boards should provide access to information on the private sector database by publishing data online on their websites, in line with data protection legislation and regulations. This is expected to foster open, inclusive engagement, networking and to demonstrate local market growth through increased contribution to urban development and growth.

2.2 Private Sector Diagnostic

The Private Sector Diagnostic is an intensive, evidence-based analytical undertaking designed to provide a comprehensive understanding of the local business environment, market dynamics, and the specific structural constraints affecting competitiveness within Mandera and Elwak Municipalities. Rather than acting as a static snapshot, the diagnostic serves as a dynamic "Economic Intelligence Report" that allows the Urban Boards to pivot from general administration to high-impact economic engineering. By

systematically interrogating the local market, the Municipalities can unlock private sector-led growth, identify untapped investment opportunities, and design a regulatory regime that is responsive to the unique challenges of a frontier economy.

I. Strategic Rationale and Core Objectives

The primary utility of the diagnostic is to move urban management away from anecdotal decision-making and toward technical rigor. Its objectives include:

- **Identification of High-Growth Sectors:** Pinpointing industries—such as cross-border logistics, renewable energy, and value-added agri-pastoralism—that possess the highest potential for creating jobs and generating municipal revenue.
- **Infrastructure Sensitivity Analysis:** Determining exactly which infrastructure deficits (e.g., specific road corridors, cold-storage gaps, or water reliability) act as the primary "choke points" for business expansion.
- **Regulatory Streamlining:** Evaluating the cumulative burden of municipal bylaws and licensing procedures to identify opportunities for administrative efficiency.
- **Investment Readiness:** Providing potential domestic and international investors with a clear, data-backed assessment of the local market, thereby reducing the perceived risk of investing in Manderu and Elwak.

II. The Technical Framework: Adopting the World Bank Toolkit

To ensure that Manderu and Elwak operate at international standards, the Municipalities adopt the World Bank's Toolkit for Competitive Counties in Kenya. This provides a multidimensional framework for assessing firm-level competitiveness across four critical policy pillars:

A. Institutions and Regulations

- **Administrative Efficiency:** Assessing the speed and transparency of business registration, licensing, and permitting processes within the municipality.
- **Policy Predictability:** Reviewing the consistency of municipal bylaws and the effectiveness of local institutions in enforcing property rights and contract mechanisms.
- **Transparency:** Evaluating the ease with which private sector actors can access information regarding municipal budgets, plans, and tax obligations.

B. Infrastructure and Land

- **Utility Mapping:** A detailed review of the state of transport networks, energy reliability, water supply, and waste management systems, identifying specific gaps that elevate the cost of doing business.

- **Zoning and Spatial Policy:** Analyzing the impact of current land-use policies on investment, ensuring that zoning regulations facilitate rather than hinder industrial and commercial development.

C. Skills, Innovation, and Labor Market

- **Human Capital Gaps:** Identifying the mismatch between the skills produced by local vocational training and the actual technical needs of the private sector.
- **Tech Adoption:** Evaluating the level of innovation and digital tool adoption among local firms, specifically in areas of trade and finance.

D. Enterprise Support and Finance

- **Financial Inclusion:** Analyzing the depth of the local financial sector, including banking, microfinance, and mobile money ecosystems.
- **Incentive Review:** Evaluating the effectiveness of existing enterprise support programs and identifying innovative financing solutions for Small and Medium Enterprises (SMEs).

III. Methodology: A Multi-Layered Approach

The diagnostic process is characterized by technical depth and diverse data collection methods to ensure a holistic view of the urban economy:

- 1) **Comprehensive Desk Research:** An exhaustive review of the Private Sector Database, Single Business Permit (SBP) trends, municipal property rolls, and national economic abstracts (KNBS).
- 2) **Quantitative Enterprise Surveys:** The deployment of structured surveys to a representative sample of both formal and informal businesses. This captures hard data on operational costs, turnover trends, and the frequency of service delivery failures.
- 3) **Qualitative Consultative Sessions:** Deep-dive focus groups and interviews with key "anchor" businesses, trade associations, and informal sector leaders to capture nuances that data alone cannot provide.
- 4) **Feedback Analysis and Evaluation:** A rigorous technical evaluation of all inputs to determine the "Top 5 Barriers" to growth in each municipality, ensuring that the results are grounded in the lived reality of the local business community.

IV. Institutional Collaboration and Partnerships

The Urban Boards act as the coordinators of the diagnostic, leveraging the specialized capacities of various partners:

- **Governmental Synergy:** Partnering with the Micro and Small Enterprises Authority (MSEA) and the County Revenue Board to leverage their statistical and analytical capabilities.
- **Private Sector Anchors:** Working closely with the KNCCI (Mandera Chapter) and local trade clusters to ensure high participation and accuracy in the survey process.
- **Technical Agencies:** Engaging with research agencies or specialized consultants to provide independent, objective analysis of the findings.

V. Outcomes and Implementation

The resulting Private Sector Diagnostic Report is a public document that serves as the "Blueprint for Reform." It informs:

- **Integrated Development Plans (IDePs) and Annual Urban Plans (AUPs):** Ensuring that project prioritization is directly linked to the diagnostic's findings.
- **The PPDF Agenda:** Providing the evidence-based topics for the Public-Private Dialogue Forums, moving the conversation from grievances to technical solutions.
- **Baseline Monitoring:** The diagnostic findings are updated annually, providing a clear metric for the Urban Boards to measure their performance in improving the municipal business environment.

2.3 Public-Private Dialogue Forums (PPDF) for Urban Planning and Development

Urban boards in Mandera and Elwak shall establish regular, purpose-driven dialogue forums with private sector actors to better understand the business environment, identify specific cross-border and local needs, and address the barriers that hinder the development of inclusive, competitive urban areas. The Public-Private Dialogue Forums (PPDF) serve as the formal "engine room" of this framework, bringing together representatives from both formal and informal businesses, business associations, and other dialogue partners to share information, agree on collective priorities, and synchronize private investment with municipal infrastructure planning.

The PPD Forums established herein are modeled on the 'Resolution-Action-Verification' cycle demanded by Mandera's business leaders. Evidence from the diagnostic phase indicated a high level of 'consultation fatigue' among stakeholders who felt their previous inputs yielded no tangible results. To bridge this trust gap, the PSEF mandates that every PPD session concludes with a 'Resolution Tracking Matrix.' For example, if the Transport Sacco identifies a specific drainage failure on a commercial artery, the framework

requires a formal administrative response within 14 days, effectively turning private sector complaints into municipal work orders.

I. Strategic Purpose and Objectives of the PPDF

The PPDF is designed to move beyond ad-hoc consultations and create a structured, predictable platform for governance. The primary objectives include:

- **Alignment of Priorities:** Ensuring that municipal mandates and resources are aligned with the actual technical and commercial needs of the private sector.
- **Consensus Building:** Creating a shared vision for urban development where both public and private actors agree on the sequencing of projects within the Annual Urban Plans (AUP).
- **Agile Problem Solving:** Establishing a feedback loop that allows the Municipal Secretariat to identify emerging challenges—such as trade bottlenecks at the border or utility outages—and address them in real-time.
- **Mutual Accountability:** Fostering a culture of shared responsibility where the municipality commits to service delivery standards in exchange for the private sector's commitment to regulatory compliance and local investment.

II. Institutional Structure and Leadership

To ensure technical rigor and political weight, the PPDF for Mandera and Elwak shall be structured as follows:

- **The Champion:** The Board Member representing the private sector or chairing the committee responsible for the urban economy shall act as the primary champion, ensuring the forum's resolutions reach the highest levels of municipal governance.
- **The Secretariat:** Led by the Municipal Manager (who serves as the Secretary), the Secretariat manages daily operations, documentation, and the tracking of resolutions. Skilled private sector representatives may be co-opted to provide technical or administrative support.
- **Leadership Core:** The forum shall be chaired by the Board Member responsible for private sector engagement and co-chaired by a senior representative from the private sector (e.g., from KNCCI) to ensure parity in leadership.
- **PPFD membership:** The board shall define membership criteria that is inclusive and adequately reflect their local private sector. The private sector database and the register of accredited business associations will help inform the structure. Membership shall comprise of accredited associations representing both formal and informal enterprises, cooperatives and special interest business groups such as women, youth and persons with disability, major business players and

stakeholders such as residents' associations, financial institutions. Associations will be responsible for nominating representatives to the forum. Other dialogue partners, such as relevant county departments, ministries, development agencies, research institutions, civil society organizations (CSOs), and non-governmental organizations (NGOs), may be co-opted into the forum as may be needed.

- Working groups or committees may also be created, aligned with municipal industry sectors or policy priorities

III. Membership and Accreditation

Membership in the PPDF is not arbitrary; it is based on inclusivity and professional representation:

- **Accredited Associations:** Priority is given to associations that have undergone the formal accreditation process. This includes formal business associations, registered informal sector groups, cooperatives, and special interest groups (Women, Youth, and Persons with Disabilities).
- **Sectoral Clusters:** Membership is organized into clusters—such as the Transport & Logistics Cluster, the Agri-Business Cluster, and the Hospitality & Services Cluster. This allows for technical discussions that are relevant to specific industry needs.
- **Co-opted Partners:** Relevant County Departments (Finance, Trade, Water), development agencies, research institutions, and Civil Society Organizations (CSOs) may be invited to provide expert testimony or resource support.

IV. Formalization through Accreditation

To ensure that the PPDF engages with legitimate representatives, the Urban Boards shall maintain a register of accredited associations.

- **The Process:** Associations are encouraged to apply for accreditation, proving they meet standards of professionalism, governance, and ethical conduct.
- **Empowerment:** Accreditation formally recognizes these groups as the "official voice" of their members, empowering them to lobby and advocate for specific policy changes or infrastructure interventions.
- **Capacity Support:** The Municipal Secretariat will work with MSEA to map these associations and support them in strengthening their internal governance structures.

V. Operational Cycle and Meeting Formats

The PPDF operates on a structured calendar to ensure its outputs are ready in time for the municipal budgeting cycle:

- **Plenary Sessions:** Held at least twice a year. These are high-level meetings where broad priorities are agreed upon and integrated into the Integrated Development Plans (IDePs) and budget estimates.
- **Cluster/Committee Meetings:** These technical sessions are held as required to address specific issues (e.g., a zoning dispute in a specific market) and present recommendations to the plenary.
- **Ad-Hoc Forums:** Convened rapidly to review urgent policy proposals or regulatory changes that may affect the business environment.
- **Evidence-Based Format:** All meetings must be informed by the findings of the Private Sector Diagnostic and the Urban Area Plans, ensuring that recommendations are grounded in local reality rather than political interest.

VI. Documentation, Follow-up, and Linkage to Citizen Fora

The output of the PPDF is only valuable if it leads to administrative action:

- **Minutes and Action Plans:** Every forum must produce formal minutes and a time-bound action plan. These are presented during the preparation of the Annual Strategic Plan.
- **Accountability Tracking:** The Municipal Manager is responsible for monitoring progress and reporting back to the plenary on which resolutions have been implemented.
- **Integration with Citizen Fora:** As per the UACA (Amendment) Act 2019, resolutions from the PPDF are presented by accredited representatives at broader Citizen Fora. This ensures that the private sector's voice is integrated into the wider community consensus before plans are finalized by the Urban Board.

2.4 Capacity Building and Outreach

To ensure the effective and sustained implementation of this framework, the Mandera and Elwak Urban Boards shall develop and execute a comprehensive capacity-building and outreach strategy. As stipulated under the Second Schedule of the UACA (Amended 2019), urban boards are legally mandated to build the capacity of residents and stakeholders to enable their meaningful participation in urban affairs. This section outlines the technical and administrative investments required to bridge the knowledge gap between the public and private sectors, ensuring that engagement is not merely a formality but a sophisticated partnership.

I. Objectives of Capacity Building and Outreach

The primary goal is to foster an environment of "Mutual Competence," where both municipal staff and private sector actors have the necessary skills to collaborate. Specifically, the strategy aims to:

- **Professionalize Engagement:** Equip municipal officers with specialized skills in mediation, economic data analysis, and stakeholder management.
- **Empower the Private Sector:** Provide business leaders with a clear understanding of municipal governance, budget cycles, and the legislative processes of the Urban Board.
- **Foster Community Ownership:** Build trust through transparent outreach, ensuring that the private sector views urban development as a shared responsibility rather than a government-imposed process.

II. Urban Board and Administrative Capacity Enhancement

The Urban Board must first look inward to assess its readiness to manage a complex private sector ecosystem. This involves:

- **Institutional Assessment:** Identifying gaps in current staff competencies, particularly in the areas of GIS mapping, database management, and Public-Private Partnership (PPP) negotiation.
- **Technical Training Programs:** Investing in specialized workshops and technical assistance for Board members and Municipal Secretariat staff. Key training modules will include:
 - **Urban Governance and Legislation:** Deep dives into the UACA, PFMA, and the County Licensing (Uniform Procedures) Act 2024.
 - **Data Analytics:** Training on the maintenance of the Private Sector Database and the use of spatial tools for investment mapping.
 - **Facilitation Skills:** Developing competencies in moderating Public-Private Dialogue Forums (PPDF) to ensure inclusive and productive outcomes.
- **Resource Allocation:** Ensuring that the Annual Urban Plan (AUP) includes dedicated budgetary provisions for the procurement of modern ICT tools, software (GIS), and expert consultants to support long-term capacity development.

III. Private Sector and Association Capacity Building

For engagement to be effective, the private sector must transition from ad-hoc lobbying to structured advocacy. The Urban Board shall support this transition by:

- **Governance Training for Associations:** Collaborating with MSEA and KNCCI to provide business associations with tools for better internal management. This includes:

- Leadership Structures: Helping associations establish clear governance and transparent decision-making processes.
- Administrative Toolkits: Providing templates for meeting agendas, minutes, and financial reporting to ensure they meet the standards required for Accreditation.
- Educational Outreach on Urban Processes: Conducting "Municipal 101" sessions for business clusters to explain the timelines of the county planning and budgeting calendar. This ensures that the private sector provides its input at the most impactful time (e.g., during the preparation of the IDeP or AUP).
- Inclusive Training: Specifically targeting the informal sector, women-led businesses, youth entrepreneurs, and refugee-led enterprises to ensure they are not left out of the formal municipal dialogue.

IV. Outreach and Awareness Strategies

Capacity building must be supported by a robust outreach mechanism to ensure information symmetry. The Municipal Manager shall oversee:

- Awareness Campaigns: Utilizing local media, community forums, and digital platforms to raise awareness among businesses regarding their rights and responsibilities under the PSEF.
- Targeted "Roadshows": Organizing sector-specific outreach (e.g., meeting livestock traders in the market or logistics firms at the border) to bring the Urban Board's message directly to the economic hubs.
- Stakeholder Resource Centers: Establishing a physical or digital information hub within the Municipality where businesses can access planning documents, diagnostic reports, and PPDF calendars.

V. Monitoring Capacity Development

The impact of these activities shall be measured through a dedicated performance framework:

- Competency Tracking: Monitoring the successful adoption of new administrative tools (like the GIS-integrated database) by municipal staff.
- Association Growth: Tracking the number of informal groups that move toward formal accreditation and active participation in the PPDF.
- Feedback Loops: Utilizing post-training surveys to refine the capacity-building curriculum, ensuring it remains responsive to the evolving needs of Mandera and Elwak's business communities.

2.5 Communication and Feedback Channels

The establishment of clear, accessible, and high-frequency channels for two-way communication is essential for the sustained success of the Private Sector Engagement Framework. In the context of Mandera and Elwak Municipalities, where geographical distances and the dynamic nature of cross-border trade require agile information flow, technology must be leveraged to ensure equitable access to municipal data. These channels serve as the "nervous system" of the framework, ensuring that the insights gathered from the private sector are not only heard but are also responded to through formalized administrative feedback loops.

I. Principles of Municipal Communication

To foster trust and institutional transparency, all communication activities managed by the Municipal Secretariats shall adhere to the following principles:

- **Bidirectionality:** Communication is never a one-way broadcast from the government. Every announcement must be accompanied by a mechanism for the private sector to provide immediate feedback or seek clarification.
- **Inclusivity and Language Accessibility:** Recognizing the diverse nature of the Mandera business community, key notices, bylaws, and diagnostic findings shall be disseminated in formats and languages (including Somali and Swahili) that ensure reaching the informal and MSME sectors.
- **Timeliness and Predictability:** The private sector operates on commercial timelines; therefore, the municipality commits to providing notice for meetings, policy changes, or regulatory reviews at least 14 days in advance to allow for meaningful preparation.

II. Digital Infrastructure and Online Portals

Under the oversight of the Municipal Manager and in collaboration with the County ICT Department, the Municipalities shall maintain a dedicated digital presence:

- **Official Municipal Web Portals:** A secure section of the county website shall be dedicated to the Urban Boards. This portal will serve as a digital repository for:
 - The Public-Private Dialogue Forum (PPDF) calendar, agendas, and verified minutes.
 - Anonymized reports from the Private Sector Database and findings from the Private Sector Diagnostics.
 - Drafts of proposed municipal bylaws and zoning regulations for public comment.

- E-Participation Tools: Implementing digital feedback forms and "Town Hall" webinars to allow business owners who may be traveling or operating remotely to contribute to municipal planning processes.
- SMS Alert Systems: Utilizing a bulk SMS platform linked to the Private Sector Database to send out critical alerts regarding market security, utility disruptions, or urgent regulatory deadlines.

III. Formal Feedback and Grievance Redress Mechanisms (GRM)

To ensure that private sector concerns are treated with technical seriousness, a formalized feedback register shall be established:

- The Feedback Register: The Municipal Secretariat will maintain a centralized log of all issues raised by business associations and individual firms during the PPDF or through direct outreach.
- Issue Tracking and Resolution: Each entry in the register will be assigned a "Lead Officer" (e.g., the Municipal Engineer or Trade Officer) and a target resolution date.
- Quarterly Feedback Bulletins: The Municipal Manager will publish a quarterly summary of "Feedback and Action," detailing which concerns were raised and exactly what administrative steps were taken to resolve them. This ensures the private sector sees a direct link between their input and municipal output.

IV. Physical and Community Outreach Channels

Recognizing that digital tools may not reach all segments of the informal economy, the Municipalities shall maintain traditional communication streams:

- Market Notice Boards: Maintaining physical notice boards in high-traffic commercial hubs like the Mandera Central Market and Elwak's main trading zones.
- Sectoral "Barazas": Organizing on-site meetings within specific clusters (e.g., meeting with the livestock traders at the holding grounds) to discuss localized infrastructure or sanitation challenges.
- Radio and Local Media: Utilizing local radio stations to broadcast summaries of municipal plans and to invite participation in upcoming dialogue forums.

V. Management and Oversight

The Municipal Manager is responsible for the integrity of these channels. This includes:

- Ensuring Information Symmetry: Preventing "information gaps" where only certain elite businesses have access to municipal plans.

- **Data Privacy:** Ensuring that any feedback portal complies with the Data Protection Act, 2019, protecting the identity of whistleblowers or businesses reporting sensitive regulatory bottlenecks.
- **Continuous Improvement:** Periodically surveying the business community to assess the effectiveness of these communication channels and making technical adjustments to the outreach strategy as needed.

2.6 Institutional Arrangements and Resource Framework

To effectively operationalize the Private Sector Engagement Framework (PSEF), the Mandera and Elwak Urban Boards must establish a clear institutional structure supported by dedicated resources. While the specific execution will be tailored to the local administrative context, the following roles and resource allocations are essential to ensure that engagement is institutionalized rather than ad-hoc. This framework ensures that there is clear accountability at the policy level and technical capacity at the operational level.

I. Urban Board Governance Roles

The Urban Board provides the high-level oversight and political championship necessary for the framework to succeed.

- **Urban Board Chair:** Holds the overall responsibility for overseeing the implementation of the PSEF. The Chair ensures that the board remains committed to private sector inclusion and that engagement outcomes are reflected in the board's strategic decisions.
- **Chair of the Relevant Board Committee:** The lead for the committee or sub-committee responsible for private sector engagement, the urban economy, trade, or the business environment. This individual acts as the Champion of the Framework, supervising the Urban Manager's implementation efforts and ensuring alignment with clear performance benchmarks.

II. Urban Administration and Secretariat

The day-to-day technical execution of the framework is managed by the Municipal Secretariat, led by the Urban Manager.

- **Urban Manager:**
 1. **Strategic Coordinator:** Responsible for setting up the Secretariat, planning engagement activities, and managing the implementation of action plans.
 2. **Forum Facilitator:** Serves as the Secretary and Facilitator of the Public-Private Dialogue Forums (PPDF).

3. **Accountability Officer:** Tracks and monitors results against established engagement indicators and reports progress to the Board.
 4. **Capacity Lead:** Responsible for planning outreach, capacity building, and maintaining two-way communication channels.
- **City/Municipal Department Heads:** Responsible for implementing department-specific actions (e.g., the Municipal Engineer for infrastructure or the Environment Officer for waste management) as assigned through the PPDF action plans.

III. The Municipal Planner and Technical Competencies

The Secretariat must possess or acquire the following specialized competencies:

- **Data Intelligence:** Skills in GIS, data analytics, and database management to maintain the Private Sector Database.
- **Strategic Diplomacy:** Proficiency in advocacy, partnership building, and high-stakes negotiation.
- **Operational Management:** Expertise in stakeholder management and the logistics of coordinating large-scale dialogue forums.
- **Economic Analysis:** Ability to conduct economic modeling, strategy development, and investment promotion based on diagnostic findings.
- **Financial Management:** Understanding of diverse financial instruments to leverage private resources for municipal projects.

IV. Resource Framework: Operations and Finance

Sustained engagement requires a predictable resource base. The Urban Boards shall ensure:

- **Budgetary Allocation:** Provision within the annual capital and recurrent budgets for the maintenance of office space, specialized equipment, and modern ICT tools.
- **Activity Funding:** Dedicated funds for the organization of PPDF sessions, diagnostic surveys, and outreach travel.
- **Technical Tools:** Investment in GIS software and data analytical platforms to facilitate the visualization and management of private sector data.

V. Coordination Mechanisms

The framework relies on "Transversal Governance"—the ability to work across different layers of government:

- **Horizontal Linkages:** Ensuring that municipal departments (Water, Lands, Trade) are synchronized in their engagement with the private sector to avoid conflicting policies.
- **Vertical Connections:** Maintaining strong ties between the Urban Boards, the Mander County Executive, and relevant National Ministries (e.g., State Department for Urban Development).
- **Multi-Sectoral Collaboration:** Fostering joint actions to address the cross-cutting needs of the local economy, which often involve shared responsibilities across multiple agencies.

VI. Partnerships and Leveraging Expertise

The Urban Boards shall adopt partnership policies and guidelines to leverage external expertise:

- **Outsourcing and Collaboration:** Recognizing that the private sector often possesses superior technical tools, the Boards may outsource specific tasks—such as advanced data analytics or digital database management—to specialized private firms.
- **Resource Leveraging:** Using the framework as a tool to identify private sector resources (technical expertise, equipment, or capital) that can be tapped into to support the successful implementation of municipal projects.

3. ENABLERS FOR EFFECTIVE AND SUSTAINED PRIVATE SECTOR ENGAGEMENT

For the Private Sector Engagement Framework (PSEF) to transition from a policy document to a transformative administrative tool in Mandera and Elwak, certain "enablers" must be present. These are the underlying conditions—institutional, cultural, and technical—that ensure the framework survives political cycles and remains a resilient part of the municipal governance architecture. Without these enablers, engagement risks becoming a tick-box exercise rather than a strategic partnership for urban prosperity.

3.1 High-Level Political and Policy Commitment

The most critical enabler is the visible and sustained commitment from the highest levels of county leadership. In Mandera, this is demonstrated through:

- **Executive Endorsement:** Formal adoption of this framework by the County Executive Committee (CEC), signaling that private sector inclusion is a core mandate of the administration.
- **Legislative Support:** The willingness of the County Assembly to support municipal bylaws that streamline business operations and protect private investment.
- **Public Advocacy:** The Governor and CEC members acting as "Economic Champions," publicly validating the role of the private sector in achieving the county's development agenda.

3.2 Accountability and Transparency

Trust is the currency of private sector engagement. For businesses to invest their time and resources in municipal dialogue, the Urban Boards must demonstrate:

- **Decision-Making Transparency:** Clearly communicating how private sector input was used (or why it wasn't) in final planning decisions.
- **Performance Reporting:** Regular publication of progress reports against the Annual Urban Plan (AUP) and the resolutions of the PPDF.
- **Integrity in Procurement:** Ensuring that any Public-Private Partnerships (PPPs) or municipal contracts are awarded through transparent, competitive processes that build market confidence.

3.3 Institutional and Human Resource Capacity

As discussed in Section 2.4, the framework is only as strong as the people managing it. Sustained engagement requires:

- **Dedicated Personnel:** Ensuring the Municipal Secretariats are staffed with professionals who possess "soft skills" in negotiation and "hard skills" in economic analysis.
- **Continuous Professional Development:** Establishing a culture of learning where municipal officers are regularly updated on global best practices in urban management and investment promotion.
- **Staff Retention:** Minimizing frequent transfers of trained personnel to ensure institutional memory and long-term relationship management with business leaders.

3.4 Technology and Data Intelligence

In a modern urban environment, data is a strategic asset. The framework is enabled by:

- **Digital Integration:** Leveraging the Private Sector Database and GIS tools to provide real-time spatial intelligence to both the board and potential investors.
- **Information Symmetry:** Using digital portals to ensure all business actors—regardless of size—have equal access to municipal plans, regulatory changes, and tender opportunities.
- **E-Governance:** Moving toward digital licensing and permit tracking to reduce human interface and increase administrative speed.

3.5 Inclusion and Diversity

A competitive urban area is one where all economic actors have a voice. This enabler focuses on:

- **Mainstreaming Special Interest Groups:** Ensuring that women, youth, persons with disabilities, and refugee entrepreneurs are not just "invited" but are actively facilitated to participate in dialogue.
- **Informal Sector Integration:** Recognizing that a significant portion of Manderla and Elwak's economy is informal and creating "on-ramps" for these actors to move toward formalization and advocacy.
- **Geographical Balance:** Ensuring that engagement reaches all wards and sub-sectors of the municipalities, not just the central business districts.

3.6 Collaborative Leadership and Partnership Culture

Engagement is not a zero-sum game. This enabler requires a shift in mindset:

- **From Regulator to Facilitator:** Municipal staff must view themselves as facilitators of business growth rather than just collectors of revenue.

- The "Co-Creation" Mindset: Treating the private sector as a co-designer of urban space, where solutions for waste management, security, and infrastructure are developed jointly.
- Conflict Resolution Mechanisms: Establishing neutral, efficient processes for resolving disputes between the municipality and private firms without resorting to lengthy litigation.

3.7 Predictability and Regulatory Stability

Businesses thrive on certainty. The framework is sustained when:

- Standardized Procedures: The adoption of KeSIC and the County Licensing (Uniform Procedures) Act 2024 provides a predictable environment for multi-year business planning.
- Stable Fiscal Policy: Avoiding erratic changes in municipal fees and levies, and ensuring that any adjustments are preceded by rigorous economic impact assessments and dialogue.

3.8 Financial and Operational Sustainability

Finally, the framework must be adequately funded to remain active:

- Budgetary Integrity: Ensuring that the costs of running the PPDF, maintaining the database, and conducting diagnostics are captured in the Annual Strategic Plan.
- Leveraging External Resources: Actively seeking partnerships with development agencies and national government bodies to co-fund capacity-building and infrastructure projects identified through the engagement process.

4. MONITORING, EVALUATION, AND LEARNING (MEL)

To ensure that the Private Sector Engagement Framework (PSEF) achieves its intended impact, the Manderla and Elwak Urban Boards shall implement a robust Monitoring, Evaluation, and Learning (MEL) system. This system is designed to track progress, measure the quality of engagement, and provide a technical basis for the continuous improvement of municipal-private sector relations. Given the professional engineering and administrative standards of the Municipality, this MEL framework prioritizes data accuracy and verifiable results.

4.1 Objectives of the MEL Framework

The MEL system is not merely a reporting tool; it is a strategic management instrument aimed at:

- **Tracking Performance:** Monitoring the implementation of the six core components of the PSEF (Database, Diagnostics, PPDF, etc.).
- **Assessing Impact:** Measuring how private sector engagement is translating into better urban infrastructure, increased investment, and improved service delivery.
- **Facilitating Learning:** Identifying what works and what doesn't in the specific contexts of Manderla and Elwak to allow for agile administrative adjustments.
- **Enhancing Accountability:** Providing the Urban Board and the County Executive with evidence-based reports on the "Return on Investment" of engagement activities.

4.2 Key Performance Indicators (KPIs)

The success of the framework will be measured against specific, quantifiable indicators. These are categorized into process and outcome indicators:

A. Process Indicators (Operational Success):

- **Database Fidelity:** Percentage of businesses in the municipal jurisdiction successfully captured in the GIS-integrated Private Sector Database.
- **Diagnostic Completion:** Successful annual update of the Private Sector Diagnostic Report following the World Bank Toolkit.
- **Dialogue Frequency:** Number of PPDF plenary and cluster sessions held annually with verified minutes and attendance lists.
- **Association Accreditation:** The number of business associations (including informal and special interest groups) that have met the accreditation standards.

B. Outcome Indicators (Economic Impact):

- **Resolution Rate:** Percentage of issues raised by the private sector in dialogue forums that have been successfully addressed or resolved by the Municipality.
- **Investment Growth:** Tracking new business registrations and expansion projects within the municipal boundaries.
- **Service Delivery Satisfaction:** Results from annual "Business Sentiment Surveys" measuring the private sector's perception of municipal infrastructure and regulatory efficiency.

- Policy Influence: Number of municipal bylaws or planning documents (AUPs/IDePs) that specifically incorporate private sector recommendations.

4.3 The Results Framework and Reporting Cycle

The Municipal Manager shall oversee a structured reporting cycle to ensure that MEL data informs decision-making:

- Quarterly Progress Reviews: Internal technical reviews conducted by the Municipal Secretariat to track the implementation of PPDF action plans.
- Bi-Annual Performance Reports: Formal reports presented to the Urban Board, detailing progress against the KPIs and highlighting any "bottlenecks" in engagement.
- The Annual PSEF Audit: A comprehensive year-end evaluation that coincides with the municipal budget cycle. This audit reviews the overall effectiveness of the framework and sets the targets for the following year.

4.4 Data Collection and Management

Data for the MEL system will be drawn from multiple verifiable sources:

- The Private Sector Database: Providing hard data on business demographics and growth.
- The Feedback Register: Tracking the "life cycle" of grievances and suggestions from submission to resolution.
- Field Inspections and Spot Checks: Conducted by municipal officers to verify the impact of infrastructure projects on business operations.
- External Audits: Leveraging independent evaluations (such as those required by national urban support programs) to provide an objective assessment of municipal performance.

4.5 Learning and Framework Evolution

A core component of the MEL system is "Institutional Learning." At the end of every fiscal year, the Urban Board shall convene a Learning Retreat with private sector leaders to:

- Analyze the successes and failures of the past year.
- Update the Private Sector Diagnostic based on new market realities (e.g., changes in cross-border trade dynamics).
- Refine the PSEF's communication and outreach strategies to ensure they remain inclusive and effective.

By integrating this MEL framework, Mandera and Elwak Municipalities ensure that private sector engagement is a data-driven, accountable, and permanently improving feature of urban governance.

5. CHALLENGES, RISKS AND MITIGATION STRATEGIES

Effective private sector engagement is critical for fostering sustainable and competitive urban areas. However, this process presents several risks and challenges that need to be addressed for successful collaboration and outcomes. By proactively identifying and mitigating these risks, urban boards can create a favorable environment for private sector participation, driving innovation, efficiency, and inclusive growth. These challenges, risks and mitigation measures are summarized in Table 3.

Table 3: Challenges, Risks and Mitigation Measures

Risk	Mitigation Measures
Private Sector Database	
Unauthorized data access	<ul style="list-style-type: none"> • Implement robust data security measures, such as encryption and access controls. • Ensure compliance with relevant data privacy laws (e.g., Data Protection Act, 2019). • Regularly audit data access logs and security protocols.
Data privacy breaches	<ul style="list-style-type: none"> • Develop a comprehensive privacy policy, shared with all relevant stakeholders. • Educate staff and businesses on data privacy protocols. • Limit access to sensitive data and implement tiered permission levels.
Technological and operational risks: Technological failures and operational inefficiencies undermine engagement	<ul style="list-style-type: none"> • Invest in reliable technology systems and establish regular maintenance schedules. • Provide staff with appropriate training and necessary operational equipment.
Private Sector Diagnostic	
Procurement delay	<ul style="list-style-type: none"> • Ensure engagement activities including the diagnostic exercise is in the urban annual plan and budget of the fiscal year when it is expected to take place.

Limited access to accurate and up-to-date data from businesses	<ul style="list-style-type: none"> • Conduct preliminary data mapping exercises to identify data sources and address data gaps. • Collaborate with business associations to ensure accurate data collection. • Leverage existing databases such as business licensing systems and tax registries to access updated data.
Low response rates or poor participation from businesses	<ul style="list-style-type: none"> • Partner with business associations and chambers of commerce to build trust and encourage participation. • Offer incentives such as showcasing the benefits of diagnostic findings (e.g., improved business climate). • Use multiple data collection methods (e.g., surveys, focus groups, interviews) to ensure broad participation.
Lack of skilled personnel to carry out the diagnostic	<ul style="list-style-type: none"> • Invest in staff training on conducting diagnostics, data analysis, and stakeholder engagement. • Outsource specific technical components (e.g., data analytics) to private sector experts if necessary.
High costs of conducting the diagnostic	<ul style="list-style-type: none"> • Explore partnerships with development agencies and the private sector to share costs. • Break down the diagnostic into phases to spread costs over multiple years if necessary.
Diagnostic results not integrated into policy and planning	<ul style="list-style-type: none"> • Ensure that diagnostic findings are linked to specific policy and planning timelines, such as the preparation of the annual urban development plan. • Establish clear pathways for incorporating diagnostic results into decision-making processes.
Public Private Dialogue Forums (PPDF)	
Poor engagement by the private sector: Long-standing mistrust due to previous transactional, predatory relationships, or political, cultural/social disputes	<ul style="list-style-type: none"> • Conduct targeted communication and outreach campaigns focused on the benefits of engagement. • Establish transparent and accessible two-way communication channels and feedback loops. • Set up oversight, monitoring, and accountability mechanisms to ensure responsiveness. • Publish key information and reports to foster transparency and build trust.

<p>Conflicts of interest between the private sector and urban board; or among private sector actors, delaying consensus</p>	<ul style="list-style-type: none"> • Enhance the facilitation, negotiation, and analytical capacity of urban officers to manage and resolve conflicts. • Conduct thorough analysis and assessments to inform dialogues. • Engage external facilitation experts if necessary to mediate and ensure smooth discussions.
<p>Resource risks: Inadequate financial and human capacity to conduct activities</p>	<ul style="list-style-type: none"> • Identify staffing needs and capacity gaps for the PPDF and include them in the urban board's staff establishment plan. • Assign qualified and relevant staff to manage engagement activities. • Plan for financial and human resource allocation for capacity building. • Ensure that PPDF activities are incorporated into the urban board's annual plan and budget. • Integrate priority interventions identified in the forums into the urban board's annual strategic plan and budget.

6. PERFORMANCE AND ACCOUNTABILITY FRAMEWORK

To ensure that the Private Sector Engagement Framework (PSEF) delivers on its mandate for Mandera and Elwak Municipalities, a rigorous Performance and Accountability Framework is established. This section defines the technical mechanisms used to verify that engagement objectives are met and that both municipal and private sector actors remain committed to the agreed-upon urban development outcomes.

6.1 The Performance Matrix and Technical Indicators

The Municipal Secretariats shall utilize a standardized Performance Matrix to track the implementation of the PSEF. This matrix is synchronized with the Annual Urban Plan (AUP) and focuses on three core dimensions of performance:

- **Operational Compliance:** Measuring the fidelity of implementation. This includes tracking the update frequency of the Private Sector Database, the completion of the Annual Private Sector Diagnostic, and the adherence to the PPDF meeting calendar.
- **Engagement Quality:** Moving beyond attendance to measure influence. Indicators include the number of private sector recommendations successfully adopted into municipal bylaws and the diversity of sectors represented in dialogue forums.
- **Service Delivery Impact:** Measuring the tangible "on-the-ground" changes resulting from engagement, such as the reduction in permit processing times or the completion of infrastructure projects (e.g., market paving or drainage) specifically requested by the business community.

6.2 Accountability Mechanisms: The Three-Tier Approach

Transparency is the foundation of trust in Mandera's frontier economy. To maintain market confidence, a "Three-Tier" accountability structure is enforced:

1. Internal Administrative Accountability:

The Municipal Manager is technically accountable to the Urban Board for the execution of the framework. This includes maintaining the integrity of the database, ensuring information symmetry among all stakeholders, and managing the Municipal Secretariat's technical budget.

2. Stakeholder-Driven Accountability (The Feedback Loop):

The Urban Board is directly accountable to the private sector through the Feedback and Grievance Redress Register. This mechanism ensures that every concern raised by a business association—whether it regards infrastructure, taxes, or regulation—receives

a formal, documented administrative response within a stipulated timeframe (typically 21 days).

3. Public and Legal Accountability:

In accordance with the Constitution of Kenya (2010) and the UACA (Amended 2019), the Urban Boards shall publish an Annual PSEF Performance Report. This report will be presented at the Municipal Citizen Fora and published on the county website, detailing how private sector input has influenced urban spending and policy.

6.3 Data-Driven Verification and Auditing

To ensure the framework remains "audit-ready" and technically sound, the following verification protocols are established:

- **Evidence Repositories:** The Municipal Secretariat will maintain digital and physical archives of all PPDF minutes, signed attendance lists, and diagnostic survey data.
- **Performance Spot-Checks:** Periodic internal audits will be conducted to verify that the spatial data in the Private Sector Database accurately matches the physical business footprint on the ground.
- **Independent Quality Reviews:** The Urban Boards may invite external technical auditors to review the effectiveness of the engagement process, ensuring that the results reported to the County Executive and the Council of Governors are verifiable and accurate.

6.4 Linkage to the Results Framework

The Performance and Accountability Framework is directly linked to the Annex 05 Results Framework. This linkage ensures that every activity (e.g., a dialogue forum) is tied to an output (e.g., a policy recommendation) which is ultimately tied to the high-level goal: *Creating a competitive urban area that attracts and retains private sector investment.*

7. PSEF CONSIDERATIONS FOR SUSTAINABILITY

Sustainability is the structural backbone of this framework, ensuring that private sector engagement in Mandera and Elwak remains a permanent, resilient feature of urban governance rather than a transient administrative project. In a dynamic frontier economy, the framework must be capable of surviving political transitions, fluctuations in funding, and shifts in personnel. By embedding these considerations into the municipal DNA, the Urban Boards safeguard the long-term investment climate of the county.

7.1 Institutionalization and Legal Anchorage

To prevent the framework from being discarded during administrative changes, it must be anchored within the legal and policy architecture of Mandera County:

- **Legislative Integration:** The core principles of the PSEF shall be formally integrated into the Municipal Bylaws and the County Integrated Development Plan (CIDP). This gives the framework statutory weight, making private sector consultation a mandatory procedural requirement for urban planning.
- **Standard Operating Procedures (SOPs):** The Municipal Secretariats will develop comprehensive manuals detailing the technical management of the Private Sector Database, the conduct of diagnostics, and the administration of the PPDF. These SOPs ensure institutional memory is preserved even when key staff members transition.

7.2 Financial and Resource Sustainability

A framework that relies solely on external ad-hoc funding is inherently fragile. Sustainability requires a diversified and predictable fiscal base:

- **Mainstreamed Budgeting:** The operational costs—including Secretariat staffing, ICT maintenance for the database, and the hosting of dialogue forums—shall be mainstreamed into the Annual Urban Plan (AUP) and the county’s recurrent budget estimates.
- **Public-Private Resource Leveraging:** The Urban Boards will explore co-financing models where the private sector provides technical expertise or "in-kind" resources (e.g., meeting venues or specialized data) for joint urban initiatives, reducing the total fiscal burden on the municipality.
- **Performance-Based Funding:** By maintaining a high-quality, audit-ready framework, the Municipalities position themselves to attract sustained support from national and international urban development programs (such as KUSP II).

7.3 Technological and Data Continuity

The digital infrastructure of the PSEF follows the same logic:

- **Cloud-Based Resilience:** The Private Sector Database and GIS mapping systems shall be hosted on secure, cloud-based servers with automated backups. This

ensures that critical economic data is never lost due to hardware failure or local disruptions.

- **Digital Ownership:** The Municipalities will prioritize the use of open-standard data formats to ensure that information can be easily migrated or integrated into future national urban management systems without compatibility issues.

7.4 Capacity and Leadership Succession Planning

The human element is often the most significant risk to sustainability. The framework mitigates this through:

- **Continuous Capacity Building:** Rather than one-off workshops, the Urban Board will implement a "Culture of Learning," where new staff and board members undergo mandatory induction on the PSEF protocols.
- **Leadership Rotation in the PPDF:** The practice of electing a private sector Co-Chair for fixed terms ensures a wide pool of business leaders who are experienced in municipal governance and can act as "external guardians" of the framework.
- **Broad-Based Inclusion:** By ensuring the framework serves a wide range of actors—from large-scale logistics firms to informal women-led micro-enterprises—the Urban Boards build a broad constituency of stakeholders who will advocate for the framework's continued operation.

7.5 Monitoring for Long-Term Viability

Sustainability is monitored through an annual "Health Check" of the framework, assessing:

- **Consistency:** Are the dialogue forums happening on schedule?
- **Relevance:** Is the diagnostic data still reflecting the current market reality of Mandera and Elwak?
- **Accountability:** Is the Feedback Register being closed out effectively, or are grievances piling up?

REFERENCES

1. Business Registration Service: <https://brs.go.ke/entities-registered/>
2. Charter of good practice in using public-private dialogue for private sector development.
<http://www.publicprivatedialogue.org/charter/New%202015%20PPD%20Charter%20of%20Good%20Practice.pdf>
3. County Government Act (CGA), 2012
4. County Licensing (Uniform Procedures) Act 2024
5. GoK (2016), National Urban Development Plan (NUDP), 2016
6. GoK (2022) Medium Term Plan (MTP IV), (2023 – 2027)
7. GoK Kenya Constitution (2010)
8. GoK (2008) Kenya Vision 2030: <https://Vision2030.go.ke>
9. Kenya Institute for Public Policy Research and Analysis (2020). Kenya Economic Report 2020
10. Kenya Standard Industrial Classification: <https://kesic.labourmarket.go.ke>
11. The PPD Handbook: A Toolkit for Business Environment Reformers.
<http://www.publicprivatedialogue.org/papers/PPD%20handbook.pdf>
12. Toolkit for Competitive Counties in Kenya. A Practical Tool to Promote Firm Competitiveness for Jobs and Economic Transformation at the Subnational Level in Kenya. 2022. World Bank
13. Toolkit for Competitive Counties in Kenya. Companion forms and summary tables. 2022. World Bank
14. Urban Areas and Cities (Amendment) Act, 2019

ANNEXES

Annex 01: Terms of Reference (TOR) for the Public-Private Dialogue Forum (PPDF)

Annex 02: Alignment and linkage to the urban governance regulatory framework

Annex 03: List of data/fields for the private sector database indicating the data already captured in the SBP application form and additional data suggested

Annex 04: Suggested calendar for two annual forums aligned to the urban board planning and budgeting calendar

Annex 05: Sample results framework.

ANNEX 01: Terms of Reference (TOR) For the Public-Private Dialogue Forum (PPDF)

The Public-Private Dialogue Forum (PPDF) is the primary institutional mechanism for structured engagement between the **Mandera and Elwak Urban Boards** and the private sector. These Terms of Reference define the mandate, structure, and operational protocols of the forum to ensure technical efficiency, inclusivity, and shared accountability in urban development.

I. Mandate and Strategic Scope

The PPDF is a consultative body tasked with bridging the gap between municipal administration and market realities. Its mandate includes:

- **Advisory on Urban Planning:** Providing technical insights on how the **Annual Urban Plan (AUP)** and **Integrated Development Plans (IDePs)** impact local business operations and cross-border trade.
- **Identification of Economic Constraints:** Surfacing specific regulatory, physical, or fiscal bottlenecks—such as infrastructure gaps, market accessibility issues, or licensing hurdles—that hinder municipal competitiveness.
- **Conflict Resolution and Consensus:** Acting as a neutral platform for negotiating solutions to disputes between the municipality and business clusters (e.g., zoning disputes or fee adjustments).
- **Infrastructure Prioritization:** Recommending high-impact capital projects for **Urban Development Grant (UDG)** funding based on their potential for job creation and private sector leveraging.

II. Institutional Structure and Membership

The forum is designed to ensure horizontal representation across all economic sectors and vertical alignment with county leadership.

A. The Leadership Core:

- **Chairperson:** The Urban Board Member responsible for Private Sector Engagement (or the Chair of the Finance and Planning Committee).
- **Co-Chairperson:** A senior representative elected from the **Accredited Private Sector Associations** (e.g., the Chairman of the **KNCCI Mandera Chapter**).
- **Secretary:** The Municipal Manager (Secretary to the Urban Board), responsible for managing the Secretariat and documenting resolutions.

B. Private Sector Representatives (Accredited Members): Membership is organized into technical clusters to ensure specialized input:

- **Logistics & Cross-Border Trade Cluster:** Representing transporters, clearing agents, and export/import firms.
- **Agri-Business & Livestock Cluster:** Representing livestock traders, cooperatives, and value-addition enterprises.
- **Retail & Services Cluster:** Representing shopkeepers, hospitality providers, and professional services.
- **Jua Kali & MSME Cluster:** Representing the informal sector and small-scale artisans.

- **Special Interest Groups (SIGs):** Reserved seats for Women-led enterprises, Youth entrepreneurs, and Refugee-led businesses to ensure radical inclusivity.

C. Public Sector Ex-Officios: Heads of Municipal Departments (Finance, Engineering, Lands, Trade, and Water) shall attend sessions as technical witnesses to provide real-time feedback on the feasibility of proposed actions.

III. Operational Protocols and Meeting Cycle

To avoid "consultation fatigue" and ensure predictable engagement, the PPDF follows a strict operational rhythm:

- **Plenary Sessions:** Held at least twice a year. These high-level meetings coincide with the start of the budget cycle (to set priorities) and the end of the fiscal year (to review performance).
- **Technical Committee Meetings:** Held on an *ad-hoc* or quarterly basis to address specific, granular issues (e.g., redesigning a specific market's drainage or reviewing a new municipal levy).
- **Quorum and Notice:** Meetings require a quorum of at least 50% of accredited members. A minimum notice of 14 calendar days must be provided for all plenary sessions, along with a formal agenda and supporting technical documents.

IV. Documentation and the "Feedback Loop"

The credibility of the PPDF rests on its ability to turn talk into action.

- **Formal Minutes:** Every session must produce minutes detailing recommendations, dissenting views, and clear resolutions.
- **The Action Matrix:** A summary document tracking each resolution, the assigned Lead Officer within the Municipal Secretariat, the timeline for execution, and the current status.
- **Board Submission:** The Municipal Manager is responsible for formally presenting the PPDF Action Matrix to the full **Urban Board** for deliberation within 7 days of the forum.
- **Administrative Response:** The Urban Board must provide a written response explaining which recommendations have been integrated into the **Annual Strategic Plan** and providing technical justifications for any items that were deferred.

V. Code of Conduct and Transparency

- **Conflict of Interest:** Members must disclose any personal or commercial interest in a specific municipal project under discussion.
- **Information Sharing:** All forum outcomes, including minutes and action plans, shall be published on the **Municipal Web Portal** to ensure public transparency.
- **Accreditation Review:** Membership is contingent upon the association maintaining "Active Status" and adhering to the **Accreditation Guidelines (Annex 02)**.

ANNEX 02: Accreditation Guidelines for Business Associations

To ensure that the **Public-Private Dialogue Forum (PPDF)** engages with legitimate, organized, and accountable representatives of the business community, the **Mandera and Elwak Urban Boards** shall implement a formal accreditation process. Accreditation ensures that associations participating in municipal governance possess the professional and administrative capacity to represent their members' interests effectively.

I. Eligibility Criteria for Accreditation

An association or business group seeking accreditation must demonstrate that it meets the following technical and legal standards:

- **Legal Recognition:** Must be a legally registered entity under the Laws of Kenya (e.g., *Societies Act, Cooperatives Act, or Companies Act*).
- **Geographical Presence:** Must prove an active membership base operating within the specific boundaries of **Mandera Municipality** or **Elwak Municipality**.
- **Governance Structure:** Must have a functional leadership team (Chair, Secretary, and Treasurer) and a formal constitution or bylaws governing its operations.
- **Operational History:** Must provide evidence of regular meetings or activities (e.g., minutes of the last Annual General Meeting) to ensure it is not a "dormant" or "shell" organization.

II. The Accreditation Process

The Municipal Secretariat, under the direction of the **Director of Administration**, shall manage the accreditation cycle:

1. **Submission of Expression of Interest (EOI):** Associations submit a standardized application form accompanied by their registration certificates and membership registers.
2. **Technical Review:** The Secretariat conducts a "Spot Check" to verify the association's claims, ensuring they truly represent the sector they claim to lead (e.g., *Livestock Traders or Transport Operators*).
3. **Approval and Certification:** Upon successful review, the Urban Board issues a **Certificate of Accreditation**, which is valid for a period of two years, subject to renewal.
4. **Entry into the Register:** The association is formally entered into the **Accredited Private Sector Register**, granting its leaders voting and speaking rights in the PPDF.

III. Rights and Responsibilities of Accredited Associations

Accredited status confers both privileges and obligations to the member organizations:

- **Rights:**
 - The right to receive draft municipal plans, budgets, and bylaws 14 days prior to public hearings.
 - The right to propose agenda items for the **PPDF Plenary Sessions**.
 - The right to access anonymized economic data from the **Private Sector Database** to inform their advocacy efforts.
- **Responsibilities:**

- **Internal Consultation:** Associations must consult their members before taking a position in the PPDF to ensure they are truly representing the "collective voice."
- **Information Dissemination:** Leaders are responsible for reporting PPDF outcomes and municipal regulatory changes back to their general membership.
- **Ethical Conduct:** Members must adhere to a strict Code of Conduct, disclosing any potential conflicts of interest regarding municipal contracts or infrastructure projects.

IV. Special Provisions for Informal and Marginalized Groups

Recognizing that many critical economic actors in Mandera and Elwak operate informally, the Urban Boards shall adopt a "Progressive Accreditation" model:

- **Temporary Recognition:** Informal groups (e.g., *Street Vendor Clusters* or *Refugee Entrepreneur Circles*) may be granted temporary accreditation for one year while the Municipal Secretariat assists them in formalizing their registration with **MSEA** or the **Registrar of Societies**.
- **Capacity Support:** The Municipality will provide technical assistance to these groups to help them develop the administrative skills (minute-taking, financial reporting) required for full accreditation.

V. Suspension and Revocation

Accreditation may be suspended or revoked by the Urban Board if an association:

- Fails to hold internal elections as per its own constitution.
- Engages in unethical lobbying or misrepresents its membership size.
- Fails to attend three consecutive PPDF sessions without a technical justification.

ANNEX 03: Sample Database Fields for Private Sector Registry

To ensure the **Private Sector Database** serves as a robust tool for municipal engineering, urban planning, and administrative oversight, the following data fields shall be standardized across **Mandera and Elwak Municipalities**. These fields are designed to capture high-fidelity technical intelligence, allowing the Urban Boards to move beyond simple revenue tracking toward sophisticated economic spatial mapping and investment analysis.

I. Core Enterprise Identification

- **Business Name:** Legal trading name of the entity.
- **Unique Business ID (UBID):** A permanent identifier linked to the **Single Business Permit (SBP)** number to track history across fiscal years.
- **KeSIC Classification:** Four-digit code according to the **Kenya Standardized Industry Classification** (e.g., *1010 - Processing and preserving of meat; 4923 - Freight transport by road*).
- **Business Ownership Status:** (e.g., *Sole Proprietorship, Partnership, Limited Company, Cooperative, Informal Group*).
- **Tax Identification:** Linkage to KRA PIN for formal entities.

II. Spatial and Geo-Location Data

- **Municipality:** (Dropdown: *Mandera Municipality / Elwak Municipality*).
- **Administrative Ward/Neighborhood:** Specific sub-locality (e.g., *Neboi, Township, Bulla Jamhuria*).
- **GIS Coordinates:** Precise Latitude and Longitude (Decimals) captured at the primary point of business entrance.
- **Infrastructure Dependency:** (Dropdown: *On-grid Power, Solar/Off-grid, Paved Road Access, Non-Paved Access, Proximity to Water Mains*).
- **Land Reference Number:** Plot number or allotment letter reference to link the business to the **Integrated Urban Infrastructure Package (IUI-P)** planning layers.

III. Operational and Demographic Indicators

- **Workforce Size:** Total number of full-time and part-time employees.
- **Workforce Disaggregation:** (Specific count of *Male, Female, Youth (under 35), and Persons with Disabilities (PWD)*).
- **Years in Operation:** Date of establishment within the municipality to measure market resilience.
- **Affiliated Association:** Name of the **Accredited Business Association** (as per Annex 02) to which the enterprise belongs for streamlined communication.
- **Primary Value Chain:** (e.g., *Livestock & Meat Processing, Cross-Border Logistics, Construction & Artisanal Works, Retail & Hospitality*).

IV. Engagement and Feedback Intelligence

- **Last Consultation Date:** Date of the most recent participation in a **Public-Private Dialogue Forum (PPDF)** or Municipal survey.
- **Strategic Interest Area:** The primary concern of the business (e.g., *Market Security, Waste Management, Drainage, Street Lighting, Licensing Fees*).
- **Participation Status:** Active participant in municipal planning vs. passive respondent.

Implementation Note for the Secretariat

The Municipal Manager shall ensure that this data is stored in a secure, cloud-based **Relational Database Management System (RDBMS)**. This allows the Director of Administration to generate real-time reports, such as "Heat Maps" of business density or "Impact Assessments" of infrastructure projects on specific commercial clusters. All data collection must comply with the **Data Protection Act, 2019**, ensuring that individual business sensitivity is protected while aggregate data is used for public planning.

ANNEX 04: Feedback And Grievance Redress Register (Template)

The Feedback and Grievance Redress Register is the primary administrative tool for ensuring **Accountability** and **Transparency**. It transforms the Public-Private Dialogue Forum (PPDF) from a consultative body into a results-oriented partnership by tracking every stakeholder concern from the moment of submission to its final resolution.

I. Purpose of the Register

- **Audit Trail:** Provides a verifiable record of all private sector inputs and municipal responses for oversight bodies (e.g., County Assembly, KUSP II assessors).
- **Performance Monitoring:** Allows the Municipal Manager to identify "bottlenecks" in service delivery by tracking response times.
- **Closing the Loop:** Ensures that no business concern is "lost" in the administrative process, fostering trust between the Urban Board and the business community.

II. The Register Structure

Ref ID	Date Received	Stakeholder / Association	Issue Grievance Category	Technical Description	Assigned Lead Officer	Target Resolution Date	Current Status	Resolution Summary / Action Taken
MDU-26-001	10/04/2026	KNCCI (Logistics Cluster)	Infrastructure	Drainage blockage at the customs terminal entrance.	Municipal Engineer	24/04/2026	In-Progress	Contractor deployed for de-silting; 60% complete.
MDU-26-002	12/04/2026	Women Traders Coop	Security/Utilities	Request for solar streetlights in the South Market area.	Admin Director	12/05/2026	Open	Integrated into the Q3 IUI-P procurement cycle.
ELW-26-001	13/04/2026	Livestock Association	Sanitation	Inadequate water supply at the Elwak	Water Dept. Lead	20/04/2026	Resolved	Borehole pump 5565913 replaced; water flow restored.

				holding grounds.				
--	--	--	--	------------------	--	--	--	--

III. Management Protocols

1. **Entry Point:** All issues raised during PPDF sessions, or submitted via the Municipal Web Portal/SMS system, must be entered into the register within **24 hours**.
2. **Assignment:** The Municipal Manager (Secretary to the Board) shall assign a "Lead Officer" based on the technical nature of the issue (e.g., Engineering, Environment, or Finance).
3. **The 21-Day Rule:** The Municipality commits to providing a formal update or final resolution for all logged items within **21 calendar days**.
4. **Reporting:** A summary of the Register (Status: *Open, In-Progress, Resolved*) shall be a standing agenda item for every Urban Board meeting.

ANNEX 05: PSEF Results Framework

Goal	“To secure, well-governed, competitive, and sustainable urban areas and cities that contributes to the realization of the broader national development goals articulated in the Constitution of Kenya (2010) and Vision 2030”
Outcome	Competitive urban area which attracts and retains private sector investment and growth

Result / Activity	Indicator	Definition	Baseline	Target	Data Source	Frequency	Responsible	Reporting
Result/ Output 1	Organizing the private sector for effective engagement	Presence of a validated, GIS-integrated database of local businesses.	No centralized digital registry.	100% operational digital registry.	Private Sector Database	Annual	Municipal Manager	Urban Board
Activity 1.1.	% of businesses mapped.	Businesses within municipality mapped with GIS coordinates.	15%	> 90%	GIS Database	Quarterly	Municipal Planner	Board Report
Activity 1.2.	No. of accredited associations.	Professional associations meeting accreditation standards.	0	Min. 10	Accreditation Register	Bi-Annual	Admin Director	PPDF Secretariat
Result/ Output 2	Private sector diagnostic conducted to inform urban policy and planning	A technical report identifying market constraints and growth clusters.	Informal assessments only.	1 Published Diagnostic Report.	Diagnostic Study	Annual	Municipal Manager	County Executive

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

Activity 2.1.	Completion of firm-level surveys.	Structured surveys conducted across commercial clusters.	0	500+ firms surveyed	Survey Data	Annual	Municipal Planner	Technical Report
Activity 2.2.	Integration of findings into AUP.	Diagnostic recommendations included in the Annual Urban Plan.	0%	> 30% of AUP projects	AUP Document	Annual	Municipal Engineer	Board Minutes
Result/ Output 3	Public-private dialogue forums (PPDF) established	Functional platforms for structured consultation.	Ad-hoc meetings only.	2 Plenary sessions per year.	PPDF Minutes	Bi-Annual	Urban Board Chair	Public Portal
Activity 3.1.	Number of PPDF meetings held.	Formal meetings held with accredited associations.	0	2 Plenary; 4 Cluster	Attendance Lists	Quarterly	Municipal Manager	Board Report
Activity 3.2.	Action Matrix resolution rate.	Issues in the action matrix successfully addressed.	N/A	85% resolution	PPDF Action Matrix	Quarterly	Lead Officers	PPDF Plenary
Result/ Output 4	Capacity building, outreach, and feedback channels established	Robust internal and external systems for two-way communication.	Manual feedback only.	Functional web portal and register.	Feedback Register	Quarterly	Admin Director	Urban Board
Activity 4.1.	No. of capacity	Training for staff and associations	0	4 sessions per year	Training Reports	Bi-Annual	Municipal Manager	Progress Report

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

	building sessions.	on urban governance.						
Activity 4.2.	Effectiveness of feedback loop.	Response time for grievances logged in the register.	N/A	< 21 Days response	Feedback Register	Monthly	ICT Officer	Monthly Bulletin

ANNEX 06: PSEF Considerations for Sustainability

The sustainability of the **Private Sector Engagement Framework (PSEF)** is critical to ensuring that the economic gains in **Mandera and Elwak** are not lost due to administrative transitions or shifting political priorities. This annex provides a technical checklist and strategic pillars to anchor the framework permanently within the municipal governance structure.

I. The Sustainability Pillars

1. Institutional Continuity:

- **Legal Anchoring:** Formalizing the PSEF within the Municipal Bylaws and the County Integrated Development Plan (CIDP).
- **Standard Operating Procedures (SOPs):** Maintaining a "Knowledge Repository" so that new staff can execute the database management and PPDF protocols without service disruption.

2. Financial Resilience:

- **Budgetary Integration:** Ensuring that the **Annual Urban Plan (AUP)** includes dedicated vote heads for the Municipal Secretariat, ICT maintenance, and diagnostic study updates.
- **Resource Leveraging:** Utilizing the framework to attract co-funding from development partners (e.g., KUSP II, World Bank) by demonstrating high levels of transparency and private sector participation.

3. Technological Longevity:

- **Cloud Architecture:** Utilizing secure, cloud-based servers for the **Private Sector Database** and **GIS layers** to prevent data loss.
- **Interoperability:** Ensuring municipal data formats are compatible with National Government systems (e.g., e-Citizen or the State Department for Urban Development).

II. Annual Sustainability Audit Checklist

The Municipal Manager shall conduct an annual review using the following criteria to ensure the framework remains "healthy" and functional:

Sustainability Factor	Verification Requirement	Status (Yes/No)
Policy Integration	Is the PSEF explicitly referenced in the current year's Annual Strategic Plan?	[]
Financial Provision	Are funds for PPDF logistics and Database updates cleared in the budget?	[]
Leadership Stability	Has a Private Sector Co-Chair been elected or re-affirmed within the last 24 months?	[]
Data Integrity	Has the Private Sector Database been backed up to the cloud within the last 30 days?	[]
Accountability	Was the "Annual Progress Report" presented to the Citizen Fora this year?	[]
Succession Planning	Have new Board members received formal induction on the PSEF protocols?	[]

III. Risk Mitigation Strategy

Potential Risk	Impact	Mitigation Measure
Political Transition	High	Deeply embed the PPDF into the <i>County Licensing Act</i> to make consultation a legal requirement.
Funding Shortfalls	Medium	Prioritize low-cost digital engagement (SMS/Web Portal) and seek private sector "in-kind" support.
Staff Turnover	High	Maintain detailed SOPs and digital archives of all meeting minutes and technical diagnostics.
Engagement Fatigue	Medium	Ensure the Feedback Register shows visible results; if the private sector sees action, they remain engaged.

ANNEX 07: Summary of the relevant legislation

Legal instrument	Article/Section	Provision	Details of provision
Constitution of Kenya (2010)	Article 184	<i>Governance and management of urban areas and cities</i>	<i>National legislation on the governance and management of urban areas and cities shall provide for the participation of residents</i>
County Government Act (CGA), 2012	<i>Part VIII</i>	<i>Citizen participation</i>	Outlines the principles of public participation, the rights of citizens, requires for the establishment of modalities and platforms for citizen participation by county governments and all decentralized units of the county
	<i>Section 104</i>	<i>Obligation to plan and to promote public participation in the process</i>	Urban areas are designated as planning authorities and required to promote public participation in the process
	<i>Section 105</i>	<i>County planning units</i>	County planning units should ensure the collection, collation, storage and updating of data and information suitable for the planning process
	<i>Section 115</i>	<i>Citizen participation in county planning</i>	Requiring that public participation in county planning is mandatory; counties are required to develop laws, regulations and establish mechanisms as provided in Part VIII
Urban Areas and Cities (Amendment) Act, 2019	Section 11 (d)	<i>Principles of governance and management</i>	Requires the institutionalized active participation by its residents in the management of the urban area and city affairs
	Section 13	<i>Private sector representation on Boards of Cities</i>	On the composition Boards of Cities which are responsible for governance and management of urban areas <i>provides for two of the nine members to be nominated by private sector organizations:</i> <i>(2)(b) an association representing the private sector in the area;</i>

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

			<i>(2)(c) a cluster representing registered associations of the informal sector in the area;</i>
	<i>Section 14</i>	<i>Private sector representation on Boards of Municipalities</i>	<p><i>On the composition of Board of Municipality provides for two of the nine members to be nominated by private sector organizations</i></p> <p><i>(3)(b) an association representing the private sector in the area;</i></p> <p><i>(3)(c) a cluster representing registered associations of the informal sector in the area;</i></p>
	<i>Section 21</i>	<i>Powers of the boards of cities and municipalities</i>	<i>(1)(g) to ensure participation of the residents in decision making and, in its activities, and programmes in accordance with the Schedule to the Act as provided in the County Governments Act, 2012 and any other national legislation on public participation</i>
	<i>Section 22</i>	<i>Citizen fora</i>	<i>Subject to the Second Schedule provides for urban residents to deliberate and make proposals on county and national policy and legislation, plans and budgets; and monitor the activities of officials and board members cities and urban areas. And for Urban boards to seek and receive petitions and representations from citizen fora on the management and administration of urban affairs within its jurisdiction and functions and make recommendations on issues raised for implementation and reporting by the Urban Manager on decisions made on the recommendation. Including on service provision, development plans (i.e., IDEPs) and budgets, policies and legislation.</i>
	<i>Second Schedule</i>	<i>Rights of, and participation by residents in affairs of their city or urban areas</i>	<i>Outlines the rights and duties of residents; requires that city or urban areas develop systems of governance, mechanisms, processes and procedures that encourage citizen participation in its affairs; apply resources and build capacity of urban residents to do so</i>

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

	Section 45(1)		<i>Three months before the commencement of each financial year, a board or town committee shall cause to be prepared estimates of the revenue and expenditure of a board or town committee for that year</i>
Draft UACA Regulations, 2022	19 <i>Fifth and Sixth schedules</i>	<i>Registration, accreditation, and clustering of business community within urban areas and cities</i>	<i>Guides the process for the urban boards to accredit and maintain a register updated annually of business associations operating within the specified urban area, city, municipality for the purpose of promoting consultation; to facilitate the process the business associations shall apply for accreditation as prescribed in the Fifth Schedule and Urban Board will issue a certificate of accreditation as prescribed in the Sixth Schedule once satisfied the association has meet the requirements which are proof of existence for two years, proof or registration by the competent, recognized body under the requisite law, proof of membership of at least 25% of the persons undertaking the business/economic activity under that relevant business area, active participation of its members in the management and governance of the association</i>
	27	<i>Promoting active citizenship and participation.</i>	<i>For purposes of promoting vibrant and active citizenship and participation in urban areas and cities, the Boards shall put in place measures to (a) map representative groups within the urban area or city; (b) set up appropriate platforms for engagement and participation; (c) empower residents through capacity development initiatives on urban development matters; and (d) set up community outreach programmes.</i>
	31(1)	<i>Citizen fora composition</i>	<i>The citizen fora shall comprise of (a) accredited neighbourhood associations in the area; (b) registered associations of the informal sector including market committees and public transport associations in the area; (c) the association representing the private sector in the area; (d) professional associations in the area; (e) the association of business community in the area; (f) Faith Based Organizations; and (g) any other entity that the Boards or the Committees may deem necessary. . These</i>

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

			entities may participate as clusters in their respective organizations.
	32, 33		<i>Provides for the convening of the fora, election and responsibilities of an executive committee. And the conduct of meetings</i>
Public Financial Management Act (2012)	175	<i>Budget and budget process for urban areas or cities</i>	<i>Requires urban boards involve the public in budget making processes. Provides the budget process for urban areas and cities i.e., the urban board shall prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates; and the public given the opportunity to participate in the process as per Second Schedule, Urban Areas and Cities (Amendment) Act, 2019</i>
Access to Information Act, 2016	Sec. 4 and 5	On Right to information and disclosure of information by public entities	The Act guarantees the right of access to information held by public entities, including county governments. It ensures transparency and accountability in the governance processes by allowing citizens to access relevant information.
Data Protection Action, 2019	Part X1 Section 72	On offences of unlawful disclosure of personal data	The Act provides outlines offences related to unlawful disclosure of personal data and information
Public private partnerships Act, No 15, 2012	Section 19 and 20	Public Private Sector partnership on Section 19 and Section 20 Sector Diagnostic Study and Assessment	Public private partnerships Act, No 15, 2012 provides for the private sector engagement and undertaking diagnostic study of the local economy on Public Private Sector partnership and Section 20 Sector Diagnostic Study and Assessment
The County Licensing (Uniform Procedures) Act 2024	Sec. 4e	<i>Coding system</i>	The Act provides for Counties to establish and implement a system that designates different codes for the different categories of licenses issued by that authority.

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

County Assembly Standing Orders	PART XXVII	Public access to the county assembly and its committees	County assemblies have their standing orders that outline the procedures and mechanisms for public participation in the legislative processes. These orders provide guidance on how the public can engage with the assembly.
Relevant local county policies and legislation			Relevant county policies, act and guidelines guiding public participation, private sector engagement, land, trade, cooperatives, investment and revenue management.

ANNEX 08: Alignment and linkage to the urban governance regulatory framework

Private sector database, maintaining a register of accredited business association; outreach and capacity building of business associations.				
Purpose: Database on the private sector for analytical purposes; and to facilitate targeting, clustering for engagement and the implementation of relevant and targeted interventions.				
Alignment to urban governance framework		Purpose	Timing	Tools
UACA Draft Regulations, 2022, Regulation 19;	<p>Urban boards are required to accredit and maintain a register of accredited business associations for clustering of business community within urban areas and cities to facilitate engagement and service delivery</p> <p>Urban Boards are required to map representative groups within the urban area or city, set up platforms for engagement and participation and empower residents through capacity building and outreach programmes</p>	<p>1. Urban area private sector database includes administrative location, address (geo-referenced) , ownership, size, sector and industry, business activity - drawn from the county revenue department business licensing database</p> <p>2. Used for analytical purposes and to cluster and convene private sector actors for engagement, planning and service delivery</p>	Updated annually	GIS Software; data collection surveys, KNBS data – county statistics, economic surveys, industry statistics, business license register, land registry, KNCC, business & trade & professional associations. Partnerships with data analytic companies
Private sector diagnostics				
Purpose: Facilitates analysis of the local business environment, private sector needs, opportunities, and challenges and potential solutions to address bottlenecks (based on the four levers of competitive cities (World Bank, 2012				
Alignment to urban governance framework		Purpose	Timing	Tools
CGA, 2012, Section 104, 105 PFMA, 2012, Section 175	<p>Urban boards are required to prepare an Integrated Plan, and every year prepare a strategic plan based on the IDEP consistent with the CFSP as basis for the urban budget estimates and give the public the opportunity to participate as per CGA, 2012 Second Schedule</p>	<p>1. Informs the:</p> <ul style="list-style-type: none"> - IDEP preparation and review, annual urban strategic plan and budget estimates - city/municipality spatial & land use plans, zoning plans 	<p>Every 3-5 years</p> <p>Reviewed and updated annually (through the PPD processes)</p>	

MANDERA COUNTY PRIVATE SECTOR ENGAGEMENT FRAMEWORK

	<p>As planning units, they are required to collect, store and update data and information suitable for the planning process</p>	<p>- departmental strategic and implementation plans.</p> <p>2. Informs the county CIDP preparation and review, county spatial plan, Sector Plans, ADP and CFSP (where sector priorities and ceiling are established), Urban (& other sector) Departmental Strategic Plans and Implementation Plans, county budget estimates, implementation, monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports</p>		
<p>Public Private Dialogue Forum – Platform for Policy Dialogue and Prioritization of Intervention</p> <p>Purpose: Creates an institutional platform for virtuous, inclusive and structured dialogue to meet specific objective. Engagements focused on the four policy pillars; or sector/industry-based; or issue-based convened as required</p>				
<p>Alignment to urban governance framework</p>	<p>Purpose</p>	<p>Timing</p>	<p>Tools</p>	

<p>Urban Areas and Cities (Amendment) Act, 2019</p> <p>21, 22, Second Schedule and the Regulations, 2022</p>	<p>Urban boards are required to ensure the participation of residents in decision making and in its activities and programmes;</p> <p>To establish and institutionalize active participation of its residents in the management of the affairs of urban areas and cities</p> <p>To create citizen for a as platforms to seek and deliberate on county and national policy, legislation, plans and budgets</p> <p>Second schedule outlines rights and duties of residents of urban area in city and urban areas and requires urban areas development systems of governance, mechanisms, processes and procedure to encourage citizen participation urban residents</p>	<p>1. The PPD minutes and resolutions informs:</p> <ul style="list-style-type: none"> - urban planning and budgeting: - IDEP preparation and review, urban area annual strategic plan and budget estimates, - city/municipality spatial & land use plans, zoning plans - departmental strategic and implementation plans. - Urban area budget implementation reporting: quarterly budget implementation reports <p>2. Informs preparation and review of plans county:</p> <ul style="list-style-type: none"> - CIDP preparation and review, county spatial plan, ADP and CFSP (where sector priorities and ceiling are established), Urban (& other sector) Sector Plans, Departmental Strategic Plans and Implementation Plans, county budget estimates - County budget implementation monitoring and reporting: quarterly budget implementation reports, CBROP, sector reports 	<p>Quarterly</p> <p>Issue based convened when required</p>	
--	---	---	--	--

Key:

ADP - Annual Development Plan

CBROP - County Budget Review and Outlook Paper

PS - Private sector

PSD – Private Sector Development

ANNEX 09: Suggested calendar for two annual forums aligned to the urban board planning and budgeting calendar

PPDF sessions	Agenda items	Statutory requirements and timelines
PPDF PLENARY ONE Held by end of July	Input into preparation of Urban Integrated Development Plan (IDEP) during the first year of the board’s election	Urban Board prepares and adopts an IDEP within the 1 st year of its election, which can be reviewed and amended during the board’s term. It remains in force until the new plan is adopted by the succeeding committee UACA (Amendment) Act, 2019 Section 39
	Input to the annual review of IDeP	
	Review of the past FY PPDF action plan and urban board implementation report	
	Input into the urban board/urban departmental annual work plan	
PPDF PLENARY TWO Held by end of February	Mid-year review of the PPDF action plan and urban board implementation report	
	Input into city or municipality annual strategic plan	Prepared as basis for the annual budget - revenue and expenditure estimates (UACA (Amendment) Act, 2019, Section 36(1)(d)(iv) PFMA, 2012, Section 175
	Input into the urban board annual budget (revenue and expenditure) estimates	UACA (Amendment) Act, 2019, Section 20(1)(l): Prepared and submitted to the county treasury for consideration & submission to the CA for approval as part of the county appropriations bill UACA (Amendment) Act, 2019, Section 45(1): Prepared at least 3 months prior to start of FY PFMA, 2012, Section 175
AD-HOC FORUMS AS REQUIRED	Urban area spatial plans; regulatory instruments, development control, urban policy development and review	

ANNEX 10: Stakeholder Engagement Plan & Results Summary

Stakeholder Group	Engagement Method	Timeline/Frequency	Key Issues/Data Collected (Evidence)	Analysis/Outcome
Local Traders & MSMEs	Town Hall / Focus Group	Quarterly (Last: Feb 2026)	High frequency of complaints regarding market drainage and security during night hours.	Identified as a priority for urban infrastructure investment in FY 24/25.
Chamber of Commerce	Formal Board Meeting	Bi-Annual (Last: March 2026)	Request for digitalized business permit renewals and clearer land-use guidelines.	Integrated into the Municipal ICT development plan and development control reform.
Transport Associations	Sector-Specific Workshop	Semi-Annual (Last: Jan 2026)	Feedback on congestion at entry points and lack of designated offloading zones.	Data used to inform the current Traffic Management Plan for the municipality.
Informal Sector Vendors	On-site Surveys	Monthly (Continuous)	70% of respondents identified the need for shared sanitary facilities and standardized kiosks.	Evidence used to design the upcoming Artisan Center/Market project.
Financial/Service Sectors	Round Table	Annual (Next: June 2026)	Potential for public-private partnerships in solid waste management collection.	Preliminary feasibility data collected to determine private sector interest.

**ANNEX 11: Manderla Municipality Revenue Projection Analysis for License –
FY 2025/2026**

Attached.



TRADE, MARKET & LICENSING SECTION

Revenue Projection Analysis for License – FY 2025/2026

Date: 25th September 2025

EXECUTIVE SUMMARY

The Trade, market and Licensing Section of Mandera Municipality encompass nine active and strategically viable revenue streams, carefully structured in accordance with the Finance Act enacted by the Mandera County Assembly. For the financial year 2025- 2026, the municipality has set an ambitious Revenue Objective and Realization (ROR) target of KES 16,000,000.

A comprehensive projection plan has been formulated to guide the achievement of this goal, leveraging the potential of these diverse revenue categories. With this systematic approach, the municipality anticipates achieving an impressive 85% of the set target, underscoring its commitment to fiscal discipline and efficient resource mobilization.

This strategy aligns with the broader objective of fostering sustainable development and enhancing service delivery across Mandera Municipality.

Achievable Target Business Permit License Collection: KES 16,000,000

This table presents an organized, detailed view of revenue streams alongside their percentage contribution to the revenue target.

Subcategory	Count	Fee Per Unit (KES)	Corrected Total (KES)	% Contribution to 16M Target
GENERAL TRADERS AND RETAIL SERVICES				
Retails	543	3,500	1,900,500	10.56%
Kiosks	498	2,500	1,245,000	6.92%
Government-Owned Stalls	923	1,000	923,000	5.13%
Cereal Stores	79	2,500	197,500	1.10%
Electronics Shops	71	7,000	497,000	2.76%

Wholesalers	28	13,000	364,000	2.02%
Cosmetics	46	5,000	230,000	1.28%
Mini Markets	3	15,000	45,000	0.25%
Salons & Barbers	58	3,000	174,000	0.97%
Bakeries	5	10,000	50,000	0.28%
Clothes Shops	55	8,500	467,500	2.60%
Utensil Shops	53	2,500	132,500	0.74%
Carpet & Curtain Shops	27	4,000	108,000	0.60%
Bookshops	10	8,000	80,000	0.44%
Tailoring Shops	27	5,000	135,000	0.75%
Gyms / Pools	5	5,000	25,000	0.14%
ACCOMMODATION AND CATERING				
Butcheries	105	3,000	315,000	1.75%
Big Hotels & Restaurants	10	20,000	200,000	1.11%
Lodging Facilities	10	5,000	50,000	0.28%
Small Eateries	103	3,500	360,500	2.00%
TRANSPORT, COMMUNICATION, COMPANY AND ETC				
Air Ticketing Agencies	13	13,000	169,000	0.94%
Brick Production Companies	5	30,000	150,000	0.83%
Car Wash Services	27	4,000	108,000	0.60%
Cereal Board	1	70,000	70,000	0.39%
Garages	33	7,000	231,000	1.28%
Transport Vehicles	60	6,000	360,000	2.00%
Companies	43	30,000	1,290,000	7.17%
Driving Schools	2	15,000	30,000	0.17%
LPG Gas Suppliers	8	6,000	48,000	0.27%

Petrol Stations	9	15,000	135,000	0.75%
Spare Parts Shops	20	6,000	120,000	0.67%
Tree Nurseries	2	6,000	12,000	0.07%
Shughuli Kuli	15	3,000	45,000	0.25%
INFORMAL SECTOR				
Various Activities	1	1	300,000	1.67%
AGRICULTURE AND NATURAL RESOURCES				
Private Shallow Wells	10	10,000	100,000	0.56%
Private Water Boozers	77	10,000	770,000	4.28%
Sand Harvesting	4	20,000	80,000	0.44%
Quarries	28	20,000	560,000	3.11%
Water Companies	5	20,000	100,000	0.56%
Chicken Farm	1	10,000	10,000	0.06%
PRIVATE HEALTH, EDUCATION AND ENTERTAINMENT				
Clinics	39	15,000	585,000	3.25%
Nursing Homes (11) & (1)	44	20,000	880,000	4.89%
Nursing home (111)	14	30,000	420,000	2.33%
Hospitals	8	50,000	400,000	2.22%
Pharmaceuticals	3	70,000	210,000	1.17%
Private Primary Schools	30	15,000	450,000	2.50%
Studios	13	5,000	65,000	0.36%
Herbalists	1	10,000	10,000	0.06%
PROFESSIONAL SERVICES				
Cyber Cafes	15	5,000	75,000	0.42%
Colleges	1	50,000	50,000	0.28%
Laundries	9	3,000	27,000	0.15%
M-PESA Outlets	37	5,000	185,000	1.03%
CORPERATES AND BIGGER ENTITIES				
Banks	3	100,000	300,000	1.67%
Creditors	1	50,000	50,000	0.28%
Safaricom	1	1,250,000	1,250,000	6.94%
Airtel	1	400,000	400,000	2.22%

GRAND TOTAL	3619		17,544,500	97.47% of 18M Target
--------------------	-------------	--	-------------------	-----------------------------

Prepared By:



Hon Adan Mohamed Abdirahman,

HoD Community Service & Compliance, Mandera Municipality.