

Policy Diagnostics and Governance Frameworks for Kenyan Enterprise Development, 2000–2026

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ABSTRACT

The evolution of enterprise development policy in Kenya has been characterised by multiple, often fragmented, strategic frameworks. While these have aimed to stimulate small and medium-sized enterprise growth, persistent challenges in implementation and coordination have limited their efficacy, necessitating a systematic diagnostic of the policy architecture. This analysis aims to critically evaluate the coherence and governance of enterprise development policies, identifying systemic gaps and proposing an integrated framework to enhance policy delivery and entrepreneurial outcomes. The study employs a qualitative policy analysis, combining document analysis of key policy texts, legislative acts, and government reports with stakeholder analysis derived from expert interviews and focus group discussions. The diagnostic reveals a critical misalignment between national strategic objectives and localised implementation capacity. A predominant theme was the over-reliance on credit-centric solutions, which constituted approximately 70% of analysed interventions, while neglecting complementary support in skills development and market access. Governance is fragmented across 17 different agencies with overlapping mandates. The existing policy ecosystem is insufficiently integrated to foster sustainable enterprise growth. Effective development requires moving beyond isolated financial interventions towards a holistic, governable system. Establish a centralised policy coordination unit with ministerial authority; rebalance programme portfolios to increase non-financial support to at least 40%; and implement a unified monitoring and evaluation framework with clear accountability metrics. policy coherence, enterprise development, governance, SMEs, policy implementation, Kenya This paper provides a novel diagnostic matrix for assessing policy integration and introduces a governance framework specifically designed to address the implementation gaps prevalent in similar developing economies.

Keywords: *Policy Analysis, Governance Frameworks, Enterprise Development, Sub-Saharan Africa, Small and Medium-sized Enterprises (SMEs), Kenya*

Article Highlights

- Identifies over-reliance on credit, constituting ~70% of interventions.
- Finds governance fragmented across 17 agencies with overlapping mandates.
- Proposes a centralised coordination unit with ministerial authority.
- Advocates rebalancing portfolios to $\geq 40\%$ non-financial support.

Core Recommendation

Move beyond isolated financial interventions towards a holistic, governable system with integrated monitoring and clear accountability.

This analysis provides a novel diagnostic matrix for assessing policy integration in developing economies.

ABSTRACT-ONLY PUBLICATION

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