



Kenya: Slum upgrading financing plan

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Project Summary: At the successful May, 2005 Bellagio Housing Conference (sponsored by the Rockefeller Foundation and the Harvard Joint Center for Housing Studies), participants facilitated by AHI brainstormed a financing and ownership plan for upgrading Kenya's slums. At the conference's completion, the Kenya Ministry of Lands and Housing invited AHI to Nairobi to develop a

financing and ownership plan for slum upgrading in Kenya, using Kibera as an example.

Operation facts

With rapid urbanization throughout the world, especially in Africa and Asia, virtually every major metropolis is also creating very large and expanding slums. In Kenya, about a million people (1 in 5 Nairobians) live in Kibera, Africa's largest slum. These 'squatter camps' or 'informal settlements' are actually spontaneous communities that address the need of informal workers for even minimal overnight accommodation. Yet they have no sanitation, virtually no infrastructure, minimal if any educational opportunities, and no way for residents to raise their own economic circumstances short of remittances. In financial terms, a slum is an enormous wealth-extraction device, with no investment in creating a healthy community. The slum crisis is further exacerbated by Kenya's shortage of publicly available development land, large tracts of which were sold for bargain prices to cronies and relatives of the former leader.

Financing the construction of new homes and improvements is an essential step in improving slum communities. UN Habitat's Slum Upgrading Facility (SUF), headquartered in Nairobi, has been working closely with the Kenya Slum Upgrading Program (KENSUP) in a joint effort to develop appropriate paradigms that can lever government resources with private-sector capital and capacity.

AHI services provided

- Debriefs from the Bellagio Housing Conference and a work plan for the project.
- One-week trip to Kenya to interview stakeholders identified by UN Habitat and KENSUP.
- Development of a legal and ownership plan for a Kenya Housing Development Agency to own and finance the construction of housing co-operatives in Kibera and other slums.
- Construction of a spreadsheet financial model to quantify affordability at the level of family, household, co-operative, and entity. Estimates of aggregate cost to renovate individual slums.
- Preparation of report to the sponsors, Rockefeller Foundation and Harvard JCHS.
- Developed an action plan as a follow-up to the full report.

Outcomes

Shortly after the visit, Kenya held a national referendum on a new constitution, among whose provisions were improvements in land titling and ownership, and the authority to recapture formerly public land sold on a sweetheart basis to relatives of the former leader. Unfortunately, for other reasons the constitutional referendum failed, and the upgrading plan is currently under suspension.