

Briefing Note on GOK/UN-HABITAT Kenya Slum Upgrading Programme (KENSUP)

Introduction

Kenya's capital city Nairobi has some of the most dense, unsanitary and insecure slums in the world. Almost half of the city's population lives in slums. It is estimated that in Nairobi there are about 200 slums and squatter settlements. The slums vary in size and conditions. Mathare valley the oldest slum settlement grew mainly out of influx of Kenyans from rural areas to the city immediately following independence in early 60's. Kibera, now the largest settlement of over 500 residents although it was started in the 40's as a settlement for Nubians – Southern Sudanese ex-war II soldiers who remained in Nairobi, began growing into a slum in the 70's to become home of many casual workers in the nearby industrial area and many hawkers.

When the Cities Alliance was established, a proposal for slum upgrading in Nairobi was among the first submissions in December 1999. There was no progress on the proposal until the Executive Director who in her first meeting with the then President of Kenya, His Excellency, Hon. Daniel Moi, in 2000, agreed with the President that the Kenya Government and UN-HABITAT will collaborate in a slum upgrading initiative. A Memorandum of Understanding was signed between the Minister of Roads, Public Works and Housing and the Executive Director of UN-HABITAT on 15 January 2003. This was the birth of the Nairobi Collaborative Slum Upgrading Programme focusing on Soweto village in Kibera. After two years of consultations with the government, during which time, UN-HANITAT funded the preparation of a situation Analysis of informal Settlements in Nairobi, the Kenya Slum Upgrading Programme was agree and a Grant Agreement signed between UN-HABITAT and the Cities Alliance. The Cities Alliance provided US\$240,000 and Kenya Government through the then Ministry of Roads, Public Works and Housing provided equivalent to US\$60,000 for a preparatory phase since the Inception phase had been completed with UN-HABITAT funding support of upto US\$110,000.

The objective of the Programme is to improve overall livelihoods of people living and working in slums through targeted interventions to address shelter, infrastructure services, land tenure and employment issues, as well as the impact of HIV/AIDS in slum settlements. The process started with the preparation of programme documents, which outlined the elements of the programme, institutional arrangements and a logical framework for implementation. The programme document outlined the various inputs, outputs and implementation modalities.

Implementation:

Implementation started with establishment Institutional arrangements at the National level (KENSUP Secretariat), Nairobi City Council Level (Programme Implementation Unit) and at the Community Level (Settlement Executive Committee).

Activities: The following activities which were carried out:

- a) Social and Economic mapping:
 - To documented the various actors in the 12 villages in Kibera;
 - To sensitize the residents and stakeholders on the programme and to commit them to contribute.
 - Develop a Communication/Media Strategy to ensure that all aspects of the Programme are effectively communicated to all stakeholders;
 - Prepare Social and Economic Profile of Kibera residents.

(b) Physical Mapping to obtain detailed information of the physical features of the 12 villages

Chronology of events in the implementation:

- Programme document finalized in mid 2003
- Sensitization of residents including local administration.
- Offer by the Finish Government to debt swap for land and funding for a Sustainable Neighbourhood Programme (SNP).
- Government provided land for a Decanting site near Langata Prison ground and another piece of land in Athi River for the Sustainable Neighbourhood Programme.
- Government commits funding for the development of the decanting site.
- Kenya Government and UN-HABITAT outline a KENSUP strategy in which all slum upgrading and related activities become part of KENSUP. This included the SNP, City without Slums Programme for Kisumu and the Water and Sanitation programme for Kibera.

Progress/Achievements:

Kibera:

- Institutional arrangements well established
- Community and stakeholders well sensitized
- Soweto village physical mapping and Social/economic mapping completed
- Decanting site construction of 600 units in progress with government funding (over Kshs. 500 Million)
- Kenya Government has established a slum upgrading fund (this could be supported).

A layout of the development of the 12 villages is yet to be prepared. (This will be very crucial to the implementation of KENSUP in Kibera. The experience will be necessary for work in other settlements in the city and the country).

Impact:

- The support of the Cities Alliance, including key bilateral donors, has helped to increase the Government's political commitment to slum upgrading;
- There is a greater awareness of the need to change the living conditions of the people in slums;
- There is increased collaboration of several ministries and other agencies in the slum upgrading process;
- Slum communities, on understanding the process, are willing to contribute to the improvement of their living conditions;
- The Government of Kenya has established the Kenya Slum Upgrading Fund (KENSUF) to receive an initial budgetary allocation of Kenya shillings 20 Million (US\$ 250,000);
- Donors have shown a great interest in the related land sector;
- The private sector is planning to launch a corporate housing bond;
- UN-HABITAT has established the Global Slum Upgrading facility (GSUF), which will make resources available to provide guarantees for slum upgrading. ???????

Lessons Learned:

- Slum upgrading is a complex operation that should be informed and guided by the local situation. Success depends on ensuring full support and engagement of local actors.
- Slum upgrading must be carried out holistically – the Kibera-Soweto upgrading process will not only improve the physical living conditions of people, but also focus on addressing the high incidence of HIV/AIDS and unemployment in the slum.

The Water and Sanitation Component in Kibera

Past Approaches

Water and Sanitation is a key component of slum upgrading and in Kibera, with its high density unplanned settlements, the situation is even more dire. Most donor-funded projects have attempted to undertake water and sanitation interventions in the whole settlement, instead of concentrating in one area. This has resulted in ineffective allocating of resources with no visible improvement to the lives of Kibera's residents. Moreover these large-scale projects have failed to understand the needs of the many different ethnic groups within the different ethnic villages

that comprise Kibera. Over the years Kibera has received significant investment (both physical and financial) to alleviate the poor conditions that exist with respect to water, sanitation and health. However no significant impact has been made. In summary, the main reasons for the limited impacts are:

- Projects have been design and implemented in an isolated manner due to the lack of a good governance structure, which jeopardises the sustainability and as a results there has been no replication or follow up.
- There has been a lack of well designed demonstration projects and as a result many of the initiatives have been purely cosmetic, either falling into disrepair or being abandoned completely.
- Little effort has been made to link sanitation to income generation and livelihood for Kibera's residents.
- The vast majority of water and sanitation initiatives have not been integrated: water, solid waste, sanitation (excreta management), and drainage need to be addressed simultaneously in settlements like Kibera if there is to be a perceivable improvement in the living environment.
- Little attempt has been made to develop good local indicators, which effectively measure the low levels of service coverage. There is therefore little baseline data except for qualitative reports of poor infrastructure.

Proposed new approaches

The change in concept has been to promote water and sanitation as an entry point for slum upgrading. The proposed intervention will constitute 3 phases. The above problems will addressed by immediately, in the first phase by demonstrating physical infrastructure improvements within the selected project area, linked to income generation. At the same time pro-poor governance structures will be developed. This will positively impact by building confidence amongst the recipient communities. The second phase will focus on refining the governance structures developed and stimulating investment from all sources. The third phase will be for full-scale replication and scale-up in the selected communities.

Through this initiative UN-HABITAT aims to mobilise resources in an efficient and timely manner to implement integrated water and sanitation projects under a governance structure that is conducive to expansion and upgrading. Based on UN-HABITAT's current activities, the KUSP Programme and the UN-HABITAT Vacutug project, the initial intervention will be carried out in the Kibera "villages" of Soweto and Laini Saba. A 2 year project duration is envisaged. The physical infrastructure work will be undertaken with labour sources from the recipient communities

Activities and Outputs

Phase I – Rapid implementation of community-led demonstration projects (6 months)

Output 1: Small scale community water and sanitation projects demonstrated

- Activity 1.1: Rapid review and assessment of all existing and relevant studies & projects
- Activity 1.2: Selection pilot sites and physical construction of water and sanitation pilots
- Activity 1.3: Dissemination of results including preliminary consultation with investment partners

Phase II – Pilot-scale evaluation, feasibility and option selection under pro-poor urban governance framework (6 months)

Output 2: Governance framework developed for replication and upgrading and development of investment plan

- Activity 2.1: Evaluation of demonstration projects
- Activity 2.2: Stakeholders workshop to develop pro-poor governance framework
- Activity 2.3: Develop a strategy for upgrading/replicating demonstrations
- Activity 2.4: Development of technical guidance notes for scale-up and replication of sustainable water and sanitation initiatives

Phase III - Full-scale implementation and project monitoring (12 months)

Output 3 : Demonstration projects up-scaled and monitored

- Activity 3.1: Full-scale construction of basic service facilities in selected villages
- Activity 3.2: Collect and analyse coverage and investment indicators throughout implementation
- Activity 3.3: Expansion of hygiene promotion campaign

- Activity 3.4: Preparation of generic training materials for water and sanitation upgrading
Activity 3.5: Economic analysis of up-scaling

Output 4: Programme evaluated and results disseminated

- Activity 4.1: Workshop to disseminate the results of programme with respect to MDG's
Activity 4.2: Strategy developed for investment promotion by the community
Activity 4.3: Documentation and evaluation of results and dissemination
Activity 4.4: Policy guidance paper developed for Government of Kenya

Progress/Achievements:

- Output 1 Commenced in early 2006. The tenders are currently being evaluated for Activity 1.2
Output 2 Commenced in early 2006. Activities 2.1 and 2.2 have been completed

Impact:

- The concept of using water and sanitation as an entry point for slum upgrading has been well received by the GOK and communities
- The provision of appropriate infrastructure will reduce the cost of house, possibly by as much as 40%
- Progressive upgrading of infrastructure will enable a progressive improvement in the lives of Kibera residents

Slum Upgrading Facility

The Slum Upgrading Facility (SUF) was established in 2005 as a project of the Human Settlements Financing Division of UN-HABITAT, with the funding support from UK (DFID), Sweden (Sida) and Norway. SUF is a technical assistance facility designed to provide technical support to its clients¹ in four pilot countries² in developing slum upgrading projects and programs that rely on domestic capital as a significant source of financing. This requires establishing new financing instruments and institutional collaborations between financial institutions, authorities and communities so that banks are able to finance such projects without distorting the banking principles on which they operate. One important strategy of SUF is to encourage upgrading projects to make more effective use of public subsidy in housing.

With the enactment of a new set of rules of the UN Human Settlements & Habitat Foundation, the agency would be in a position to extend financial support to deserving slum upgrading initiatives in developing countries. It will do so by way of providing loans for specific purposes (seed capital, loan guarantee and/or equity investment) in order for the projects to be able to leverage domestic capital.

Considerable challenges remain in accessing domestic capital as a main source of financing of slum upgrading projects. Some of these are: lack of secure land tenure, low affordability compounded by a rising construction cost, lack of credit history amongst the poor and high real and perceived risk in lending to the poor. Some of these issues can only be addressed through institutional/policy reform which takes considerable time and effort. For such reasons, the Division has also been providing advisory support to the Kenyan Government in streamlining its existing housing incentive regime.

SUF project does not operate in Kenya although Nairobi houses the largest slum in Africa (Kibera). This is partly because the settlement conditions in Kibera require more urgent interventions than SUF can allow. However, it is possible to include some of the elements of domestic capital mobilisation even if the urgent interventions are of direct support in nature.

Prepared by David Kithakye, Madhab Mathema and Graham Alabaster 13/11/06

¹ local authorities, NGOs and CBOs dedicated to improvement of low-income settlements

² Indonesia, Sri Lanka, Tanzania and Ghana