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# Use of Public-Private Partnerships for Provision of Low-Cost Housing in Kenya

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**Abstract**

*PPPs have become strategic solutions for harnessing strengths of government and business stakeholders. The study delves into utilization of PPPs in advancement of affordable housing in Kenya, offering comprehensive examination of PPP arrangements and recent successful case studies. The insights gained from literature review demonstrate that despite considerable contributions of PPPs to affordable housing, obstacles like regulatory barriers, financial issues, and stakeholder coordination still persist. The findings suggest that PPPs have significant promise for improving supply of affordable housing in Kenya. The study recommends reviewing PPP Act, exploring innovative funding options, clearly defining stakeholder roles and responsibilities, developing clear risk-sharing frameworks, implementing strict quality controls and regular affordability assessments. The upcoming paper will examine the "Effectiveness of PPPs in delivering low-cost housing: A Case study of Nairobi City County," with the goal of offering a comprehensive evaluation of the effectiveness and influence of PPPs within the Kenyan setting.*

**Keywords:** Low-cost housing, private sector, public private partnership, public sector

## INTRODUCTION

The expanding global population, along with advancements in communication technology, improved travel accessibility, and increased civic education, the need for essential amenities such as hospitals, housing, water supply, and sanitation has grown significantly. Developing countries, including those in Africa, struggle to meet this increasing demand for infrastructure. Inadequate infrastructure in Africa contributes to a 13% annual slowdown in economic growth and a 47% decrease in output. According to Salman (2009), with the majority of the global population now residing in urban areas, one billion people are residing in slums—a number expected to double by 2030. This rapid urbanization is placing excessive strain on existing infrastructure and services.

In East Africa, the demand for infrastructure services is especially acute. Nairobi, for example, is home to some of the world's most densely populated, polluted, and unsafe informal settlements. UN-HABITAT (2019) reports that around 65% of Nairobi's residents live in informal settlements with limited availability of safe drinking water and waste management facilities. The insufficiency of government funding has led to a reliance on public-private partnerships (PPPs) to finance infrastructure projects, including those for prisons, hospitals, schools, roads, water supply, and housing.

The World Bank acknowledges private entity investment in public projects to be viable solution to addressing infrastructure needs (Bennett, 1999). Developing nations are increasingly exploring PPPs as an alternative model for providing affordable housing and essential services (Turner, 2009). PPPs involve collaborative funding and risk management, allowing governments to leverage private sector resources to undertake large-scale projects that would otherwise be unfeasible due to limited funds.

In Kenya, financial organizations and development agencies have embarked on substantial initiatives to provide affordable housing. The

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National Housing Corporation has constructed approximately 60,000 units, representing 10% of the required housing, with the private sector expected to supply the remaining 90%. As reported by the KNBS in 2019, Kenya faces a housing deficit of about 3 million units. With 34% of Kenya's 47.5 million population living in urban areas, and a projected population of 65 million by 2032 with 68% urban dwellers, the demand for housing is growing rapidly.

Currently, Kenya needs 300,000 houses annually, but only 50,000 units are provided each year for low-income earners, according to the Kenya National Bureau of Statistics (2019). The disparity between supply and demand presents opportunities for both the government and private entities towards developing innovative solutions by increasing availability of low-cost homes. Despite efforts by the Government of Kenya and other stakeholders to provide affordable housing, challenges such as political instability, institutional issues, and inadequate funding have hindered the full utilization of financing methods (Ireri, 2012; Akitonye, 2005). While PPPs have been implemented, they have not yet reached their full potential (Bridgman, 2003). Enhancing private sector involvement is crucial for addressing the funding gap in affordable housing (Shitanda, 2009).

This study seeks to determine the most sustainable as well as efficient models for public-private partnerships for delivering low-cost housing, analyse reasons for the slow adoption, and address emerging issues. By examining successful projects and the performance of PPPs in Kenya, the study will provide valuable insights for stakeholders to make informed decisions about affordable housing development. Understanding the appropriateness of PPPs is essential for improving low-cost housing delivery in Kenya.

## THEORY

### Provision of Affordable Housing

Housing designed for individuals with median incomes in their respective countries is typically classified as low-cost. This affordability is often assessed using a ratio of housing costs to median income. For example, in an area where the median income is Kes.10,000 and the housing cost is Kes.40,000, a ratio of 4:1 indicates affordability if the ratio is below 5. However, in major cities worldwide, it's uncommon to come across housing with a ratio lower than 5. Many households face ratios ranging from 7 to 10, reflecting unaffordable housing (Cytonn, 2019).

High-income bracket houses are priced above USD 90,000, while upper middle-income homes range from USD 40,000 to USD 80,000 (Ireri, 2008). The KNBS (20029) indicated that a three-bedroom house in Kilimani estate, Nairobi, could cost between USD 110,000 and USD 130,000, and a two-bedroom flat in Spring Valley, Westlands, might reach USD 250,000. Similarly, in middle- and low-income areas of Eastlands, a four-bedroom house in Fedha Estate, Embakasi, is priced around USD 130,000. Typically, homes for low-income earners are priced below USD 30,000. Middle-income housing, as noted by Ireri (2008), is more widely available.

Globally, various models for delivering low-cost housing have been tried, with countries often developing their own public-private partnerships (PPPs) while drawing lessons from international examples. The success of these PPPs depends on factors such as topography, political landscape, capital market complexity, determining factors, and enabling conditions (Deloitte, 2006). This assessment provides an overview of historical low-cost housing models and categorizes essential elements for effective partnership collaborations.

### Public Private Partnership

Public-Private Partnership refers to legal agreement between government agencies and private investors, where investors commit to providing specific services. The primary goal of PPPs is to achieve more efficient use of funds compared to traditional procurement methods. When executed effectively, PPPs can lead to lower total costs, improved risk management, quicker delivery of public services, higher quality of service, and new revenue opportunities (Akitonye, 2005). These partnerships are increasingly adopted to optimize resource utilization within local economies and allow the private sector to participate in areas that have traditionally been reserved for public.

### Public Private Partnership Structures

Structures and contractual forms of PPPs vary.

PPPs consist of three main elements: a prearranged contract outlining the responsibilities of each party, allocation of risks to public and private sectors, and financial rewards for the private party based on the achievement of predetermined outputs. Decision makers can utilize PPPs to enhance infrastructure and service delivery. PPPs are most effective when combined with various restructuring efforts to reinforce and enhance sustainable progress (Lewis, 2002).

PPP constructions with the aforementioned features have increasingly become essential for driving infrastructure development in advanced economies. The increasing recognition of the private sector's role is main driver behind the advancement of public-private partnerships. Private entities are focused on enhancing both the standards and amount of infrastructure and amenities. PPPs provide a chance to leverage the private entity's capabilities to manage and coordinate uncertainties effectively. These partnerships have provided substantial benefits to the public sector by facilitating the creation of favourable regulatory environments, legal frameworks, and policies that encourage active private sector participation in delivering social amenities. PPP is an efficient tool for addressing challenges in providing affordable housing. The best matrix for involving public-private stakeholders in PPP is aimed at maximizing the utilization of funds. The majority of PPP arrangements consist of five main components: design, construction, operation, maintenance, and finance (Werna, 2001).

**Models of Public Private Partnerships**

Below are the PPP models that entail the transferring risk from public to private sector companies (Grimsey & Lewis, 2004).

**Build-Operate-Transfer**

In an integrated partnership, the private entity assumes responsibility for the total project lifecycle, which includes; design, financing, constructing, operating, and maintaining, for designated period. This combination of responsibilities aims to achieve greater efficiency gains and encourages improved planning and management of the development. It's important to note that the private sector does not hold ownership the project, but upon agreement expiry, they transfer the facility to the government.

**Design-Build-Finance-Operate**

In this project delivery model, the private sector is contracted to design, build, finance, and operate the project for a specified duration. During this period, the private sector receives service fees from the government, while the government maintains project ownership, ensuring it remains under public control.

**Design-Build-Operate**

A contract is given to a private entity company which create, construct, and run the facility for an agreed-upon fee and duration. DBO guarantees that the private partner can select the best technology without intervention from the public, thus ensuring technology neutrality. The government maintains ownership of the project.

**Design-Build-Operate-Maintain**

The project drawings are prepared by the investor who also oversees the construction process. After the project is finished, maintenance activities are carried out by government agencies. The government agency maintains facility ownership and exercises substantial oversight over its operations as outlined in the contract.

**Design-Build-Finance-Operate-Maintain**

The government agency enters into an agreement with a private entity and assigns it roles and responsibilities. The private entity's tasks include project design, selecting a contractor to carry out the work, finding funding, establishing operational systems, and ensuring proper maintenance of the facility. The private sector entity is compensated with fees from either the end users of the facility or the government treasury for a specific period of time. Once the contract expires, operational control reverts back to the government. Numerous governmental entities prefer this model as it shifts most of the project risks to investors. Investors can undertake projects that the government may lack the financial, technical, or operational capability to pursue.

**Build-Own-Operate**

A contractor hired by the private sector executes work and manages the completed facility. The private sector maintains ownership of the facility, and the public agency is not obligated to purchase it once the contract period ends. This type of public-private partnership may qualify for tax exemptions from the government, which can enhance the financial feasibility of the project.

**Duties of Stakeholders in PPPs**

Heather and Kathleen (2007) state that the PPP process relies on the involvement of the following key stakeholders.

**Political Decision Makers**

This is about the dominant political faction that handles the development of strategies and laws. They establish and rank goals and aims, and communicate them to the public. Furthermore, they play a role in endorsing and making decisions on the criteria needed for selecting the suitable PPP option. They also sanction the regulatory and legal frameworks for establishing PPP policies.

**Private Sector - Management**

These stakeholders are responsible for carrying out PPPs. They classify their individual requirements and objectives and integrate them into the PPP projects. The private sector organizations offer detailed information that helps advance the PPP projects and exercise careful consideration during the execution.

**The Public - End Users**

The intended recipients of PPP project products are expected to demonstrate their ability and willingness to pay for the services and products. Additionally, they are responsible for providing feedback on the quality and standards of the housing units and associated amenities provided through PPP projects.

**Private and Foreign Investors**

The individuals involved are those who put their resources into PPP projects in the hope of gaining profits after a specific timeframe. They contribute their resources through equity and loans to make the partnership possible. Additionally, they provide their perspectives on the appeal of various PPP opportunities.

**Strategic and Professional Consultants**

The individuals involved offer their professional and strategic knowledge to help make the PPP arrangement successful. They give advice on evaluating different options for PPP projects. Moreover, they assess current legal and policy frameworks and suggest enhancements. They also play a role in encouraging collaboration among the different stakeholders involved in implementing PPPs.

**Opportunities in PPPs**

Haughton & Whitney (1999) highlights vital roles played by public-private partnerships (PPPs) towards delivery of public services. Collaboration between private and public entities creates synergies that improve development effectiveness. Allan (1999) emphasized that PPPs offer greater efficiency and benefits through the effective management of risks. The reduced costs result from government support programs, which influence private engagement. Private investment further enhances this, leading to higher quality outcomes due to combined contributions of government and business stakeholders. As a result, private partners, through PPPs, are able to address local issues by exerting pressure on government agencies, reducing time overruns, and streamlining administrative processes (Bailey, Baker & MacDonald, 1995).

**Key Consideration areas for Implementing PPPs**

PPP's offer great potential, but there are several obstacles that need to be overcome to ensure they effectively provide affordable housing. First, it is crucial to establish a strong regulatory framework to govern PPPs. This includes having clear policies, transparent procurement processes, and mechanisms for resolving disputes in order to attract private investment and ensure accountability. Second, finding the right balance between affordability, quality, and sustainability is a major challenge. PPPs should focus on using cost-effective construction methods, designing energy-efficient buildings, and providing access to essential services. Ensuring that PPP projects are genuinely affordable and accessible to low-income households requires thorough planning, subsidy mechanisms, and affordability assessments.

PPPs need to prioritize sustainable construction practices, energy efficiency, and building resilience from effects of climatic variations. It is essential to have meaningful community engagement and participation in affordable housing developments to effectively address local needs, preferences, and social dynamics. Acquiring suitable land for housing projects can be complicated, particularly in urban areas with high land prices. Governments need to simplify land acquisition processes and tackle land tenure issues to facilitate public-private partnerships in low-cost housing. Developing institutional capacity within government agencies is crucial for the efficient management, monitoring, and evaluation of public-private partnerships. Public officials engaged in housing development can enhance their skills through training programs and initiatives for knowledge exchange (Skidmore & Kashwan 2012, Harris, 2003; and World Bank 2017).

**PPP Act 2013**

In the last twenty years, citizens of Kenya have expressed their dissatisfaction with the ineffective delivery of services by government agencies. Several concerns, including increased demand for affordable services for the population, the need to bridge the funding gap for infrastructure, providing diverse revenue sources for essential services, reducing government borrowing and its associated risks, and harnessing the effectiveness of the private sector in managing public utilities, were prevalent in agencies with a monopoly on specific services. Many public discussions have proposed that private companies could potentially offer services with greater efficiency and effectiveness, often at a reduced cost. This reasoning resulted in the passing of the PPP Act in 2013. The PPP Act 2013 involves joint efforts between the public and business stakeholders in obtaining funds, create plans, execute, and oversee public infrastructure.

The Public-Private Partnership Act, 2013 grants public sector authority to draw and sign agreements with private entity on behalf of citizens. This Act establishes important frameworks for collaboration between government agencies and private enterprises in Kenya. The Act obligates corporate sector responsibility to deliver infrastructure within a specified timeframe, with the public sector making payments for the services. The project deliverables are defined by the contracting body, while the private sector bears the responsibilities for providing inputs. The Act governs the involvement of the private sector in securing funding, selecting contractors for project implementation, operating the facilities, and maintaining government buildings through specified engagements. Additionally, the PPP Act of 2013 allows for the establishment of entities to oversee and manage the implementation of projects.

The PPP Act offers various benefits, such as government backing with guarantees and incentives, overseeing development progress, accounting for losses from unexpected events, ensuring a clear, transparent, and fair process for PPPs, and bolstering organizational structures.

Despite progress, Kenya has encountered challenges implementing PPPs, including weak institutional frameworks for facilitating partnerships, low investor confidence, ineffective PPP unit management, lack of proper insurance coverage for PPP investors, cumbersome bureaucratic processes deterring investors, and high costs during arrangement preparation.

The PPP Act 2013 creates conditions that allow the government to meet its annual housing demand. Nevertheless, the mentioned issues reveal significant obstacles to its effectiveness. Therefore, it is crucial for the government to reassess its policies, laws, and processes to encourage and support the adoption of PPP low-cost housing.

**United Kingdom**

The United Kingdom (UK) has actively utilized private finance initiatives (PFIs) to fund public infrastructure projects, resulting in increased investment in social housing over the past decade (Moskalyk, 2008). With limited resources for maintenance, renovations, and affordable housing, the government launched pioneering projects to encourage public involvement in affordable housing provision. Starting in 1997, various agencies were tasked with leading PFI/PPP social housing projects and evaluating their effectiveness in delivering low-cost housing. These projects included a variety of housing types, such as traditional estates, modern high-rises, renovations, and new constructions (Moskalyk, 2008).

Private sector participants, including financial institutions, contractors, and housing associations, were contracted to repair and develop houses. Housing associations conducted feasibility studies, hired consultants to create design and tender documents, and oversaw the selection of qualified contractors. Banks provided funding for these projects once housing associations met the required conditions (Moskalyk, 2008). Central government grants supported the projects, and local officials rented out homes to civil servants, using the collected fees for administration, repair, and to fund new housing construction. Any financial shortfalls were covered through loans from financial institutions (Moskalyk, 2008). From these experiences, local authorities in the UK have learned several key lessons: PFIs are particularly effective when other financing methods are not viable; they ensure a consistent supply of low-cost housing units; central government policy and regulation provide investor confidence; and increased government resources support the expansion of the low-cost housing market.

**United States of America**

Public-private partnerships (PPPs) are essential for providing social housing and have been a key component of housing programs. In the United States, various financing models have been established to promote the construction of affordable housing through PPPs (Moskalyk, 2008). The idea of using partnerships to build low-cost housing emerged in the 1980s in response to significant cuts in funding for such housing. Before the 1980s, federal housing programs were crucial for creating opportunities for low-cost rental and homeownership. However, state governments struggled to address the housing gap due to budget constraints. These partnerships involved non-profit organizations, banks, private builders, foundations, and non-governmental groups working together to provide affordable housing.

Many localities formed formal collaborative entities that leveraged the expertise and financial resources of these stakeholders. These well-funded, independent PPPs proved to be highly adaptable and effective in creating tailored programs to address demand for affordable houses. Over the past fifty years, United States has employed a variety of financing models to improve delivery of affordable homes. These models focus on reducing the overall cost of homes, enhancing sustainability, and increasing affordability. Programs were designed to help businesses create partnerships, secure funding, and build affordable housing projects (Wallace, 1996).

**South Africa**

The regulatory framework for PPPs was established by the Government in 1997 in order to assess how PPPs would enhance the effectiveness of the projects being implemented. In 1999, the guiding procedures for PPPs were approved for utilization. The regulations for operationalizing the Public Finance Management Act were issued in 2000. Subsequently, PPP unit was established and PPP manual was released in 2010 (Nathanael, 2014). PPP projects encompass highways, hospitals, government offices and prison buildings. There have been more than twenty PPP projects since 2001, all of which had their finances arranged. Professionals in the construction industry have expressed concerns about the sluggish pace of delivering affordable housing (Nathanael, 2014).

**Kenya**

According to the PPP Unit (2019), between 2014 and 2023, government-initiated PPP projects for low-cost housing progressed through various stages: fifty-two were in the pre-procurement phase, seventeen were undergoing procurement, and six had reached the post-procurement stage. During the same period, private sector-driven PPP projects resulted in twelve completed projects totalling eight thousand units, with an additional four projects in the pre-proposal stage. This slow adoption of PPPs for low-cost housing is notable when compared to the annual demand for 300,000 units.

**Ngara housing project, Park Road**

The Ngara project in Nairobi, developed by China State Construction and Engineering Corporation, marks the beginning of affordable housing initiatives supported by the government. As reported by According to Boma Yangu (2019), this project is the first to receive government support under the affordable housing program. Approximately Kes. 125 million has been contributed to the program, enabling the allocation of low-cost homes to around 300 individuals.

The integrated housing project will feature 1,370 units, offering affordable housing options for low-income earners. The available options include 1-bedroom units at Kes. 1.5 million, 2-bedroom units at Kes. 2 million (30 square meters) and Kes. 3 million (60 square meters), and 3-bedroom units at Kes. 3.55 million (60 square meters) and Kes. 4 million (80 square meters). These prices are 20% lower than current market rates. The project aims to cater to various income groups across Kenya, with completion expected within two years.

**Pangani housing project**

In an effort to revitalize Pangani Estate and offer affordable housing to Nairobi residents, the Nairobi City County Government has teamed up with Tecnofin Kenya Limited to launch the Pangani Housing Project. Housing Finance (HF), a mortgage finance provider, is working alongside Tecnofin Kenya Limited to develop 1,562 housing units on a 5.2-acre site. Tecnofin Kenya Limited secured the contract for the redevelopment through the Urban Renewal Programme and Joint Venture Partnership and has assigned China Wu Yi to oversee the development.

This initiative falls under the Government's Big Four Housing pillar, with Tecnofin executing the project as part of this broader strategy. The housing units will include two and three-bedroom apartments priced between Kshs. 1 million and Kshs. 3 million, making them accessible to low-income earners who meet the qualifying criteria. The project is expected to be completed within 36 months, and HF Group will manage the marketing and sales of the units (Sirma, 2019).

**Tatu City Affordable Housing Initiative**

Tatu City, an urban development project located in close proximity to Nairobi, has included plans for affordable housing aimed at catering to different income levels. This effort involves the integration of creative design ideas, effective land utilization, and the development of mixed-use properties to establish diverse and long-lasting communities. The strategy adopted by Tatu City highlights the incorporation of affordable housing into broader urban planning structures, with a focus on promoting connectivity, convenience, and social inclusion (Smith, 2021).

**Mavoko Low-Cost Housing Project in Machakos County**

The Mavoko low-cost housing objective was to cater for housing requirements in peri-urban areas. This project prioritizes affordability, accessibility, and community involvement, placing an emphasis on essential infrastructure, social facilities, and sustainable environmental practices. The Mavoko initiative underscores the significance of customized solutions that are specific to regional circumstances, making use of collaborations between county administrations and private developers. (Kilonzo & Ngugi, 2019).

**Kisumu Affordable Housing Scheme**

In western Kenya, the city of Kisumu has introduced a cost-effective housing program in partnership with public and private entities. This program offers both rental and ownership choices, along with necessary infrastructure and financial benefits to encourage low-income families to become homeowners. The Kisumu initiative demonstrates how public-private partnerships can tackle housing affordability in areas beyond big cities, promoting balanced regional growth and economic strength (Otieno, 2018).

## RESEARCH METHODS

The research will adopt qualitative desk study approach, relying on secondary data sources to analyze the use of PPPs in delivery of low-cost housing in Kenya. A comprehensive literature review will be conducted to gather useful information. Secondary data will be gathered from; textbooks, government reports and policy documents, publications from international organizations, journals and industry reports. Content analysis will be used to identify variables related to; implementation and outcomes of PPPs in low-cost housing, effectiveness of different PPP models, impact of the legal framework on PPP projects, successes and challenges faced in various case studies. A comparative analysis will be performed to compare the local and international practices which contribute to the success or failure of PPP initiatives in delivery of affordable housing. Case studies were conducted on low-cost housing projects at Ngara, Pangani, Mavoko, Tatu City and Kisumu.

**PPP Analysis for the Case Studies**

The key variables for housing projects include financial resources, stakeholder involvement, and project characteristics. The process variables encompass project development, implementation, partnership dynamics, and community engagement. The outcomes are measured by the number of housing units provided, their affordability and quality, accessibility to essential services, and resident satisfaction.

Housing projects in Ngara, Pangani, Tatu City, Mavoko, and Kisumu effectively combined public and private funding, using subsidies and tax breaks to attract investment and ensure affordability.

Stakeholders included government agencies, private developers, and local communities, with varying levels of collaboration. Projects ranged from urban developments to peri-urban initiatives, targeting different income groups and integrating infrastructure and sustainability features.

Planning, transparent procurement, and construction management were crucial, though some projects experienced delays. Strong governance and risk-sharing mechanisms were essential for managing challenges. Community involvement and feedback ensured projects met local needs and improved communication with residents.

Overall, the projects provided affordable housing with good quality, improved access to essential services, and high resident satisfaction, demonstrating successful alignment with community needs.

**Comparative Analysis of Housing PPPs: Kenya versus International Practices**

This analysis compares housing PPPs in Kenya with practices in the UK, USA and South Africa. Kenya's PPPs are governed by the PPP Act and land acquisition laws, with policies promoting private sector involvement. Internationally, robust frameworks support PPPs: the UK uses PFI for urban regeneration, the USA employs Low-Income Housing Tax Credit (LIHTC) for mixed-income housing, and South Africa's PPPs are guided by PFMA and MFMA. Kenya uses a mix of public and private funding, international loans, grants, and government subsidies. The UK relies on private funding through PFI, supplemented by public funds. The USA uses federal, state, and private funding, with significant contributions from LIHTC and Community Development Block Grant (CDBG). South Africa combines national and provincial budgets with private investment supported by government grants. Kenyan stakeholders include government agencies, local authorities, private developers, financial institutions and community groups.

Internationally, similar stakeholder involvement is seen, with central and local governments, housing associations, developers, banks and non-profits. Kenya's projects like Ngara and Pangani emphasize community engagement and sustainability but face challenges in risk management. Internationally, the UK's projects are known for quality planning and efficient procurement, the USA's LIHTC projects focus on mixed-income developments, and South Africa's Reconstruction and Development Programme (RDP) housing faces quality issues but promotes urban integration. Kenya shows effective coordination but struggles with risk sharing and decision-making. Internationally, the UK benefits from strong collaboration and well-defined risk-sharing, the USA has clear roles and high community involvement and South Africa faces bureaucratic hurdles but generally effective partnerships.

Kenya shows mixed results, with successes like Tatu City but challenges in quality and affordability. Internationally, the UK delivers high quality urban regeneration housing, the USA successfully provides mixed-income housing, and South Africa's RDP housing has quality concerns but shows promise. Kenyan projects show positive social integration and utilities access but struggle with long term satisfaction. Internationally, the UK's projects achieve strong social integration and amenities access, the USA's developments have high resident satisfaction and integration, and South Africa's projects improve social integration despite mixed sustainability outcomes.

**Aspects of PPPs in Kenya: What is Working and What is Not**

The projects have effectively engaged local communities, private developers, government officials, and financial institutions, ensuring a coordinated approach to housing development. Government subsidies and financial incentives have attracted substantial private sector investment, demonstrating their effectiveness. The projects also feature innovative design and sustainable building practices within a comprehensive urban planning framework, enhancing connectivity, accessibility, and inclusivity. Effective governance structures and risk-sharing mechanisms have facilitated efficient partnership management and ensured accountability, contributing to the success of the projects.

Despite risk-sharing arrangements, projects face delays and cost overruns, highlighting the need for better planning and contingency measures. Securing land for development is challenging, especially in expensive urban areas, requiring streamlined acquisition processes and resolution of land tenure issues. Balancing housing affordability with high construction quality and sustainability is difficult, necessitating solutions for cost versus quality trade-offs. While stakeholder engagement is generally effective, some community feedback is overlooked, indicating a need for more inclusive strategies. Building government agencies' capacity for project management, monitoring, and evaluation remains a challenge, emphasizing the need for enhanced training and development programs for public officials.

**Enhancing Kenya's PPP Act and Regulations for Low-Cost Housing**

Public-Private Partnerships (PPPs) are vital for addressing Kenya's housing deficit, but current regulations face challenges that limit their effectiveness. Key improvements include; simplifying and clarifying the legal framework and policies to ensure transparency and consistency, and providing incentives like tax breaks to attract private investment, expanding funding sources and encouraging private sector participation through innovative financial products and partnerships, strengthening financial incentives and guarantees to make PPP projects more appealing and secure for investors, clearly defining the roles of government agencies, private developers, financial institutions, and community groups to ensure effective collaboration and meaningful community engagement, developing better risk-sharing frameworks and improving procurement processes to ensure transparency, competitiveness, and fairness, implementing strict timelines and quality control measures to ensure projects are completed on time and meet standards, ensuring housing affordability for low-income households through continuous assessments and subsidies, and integrating sustainability and resilience criteria into regulations to ensure projects are environmentally sustainable and climate-resilient.

## CONCLUSION AND RECOMMENDATIONS

In Kenya, the advancement of low-cost housing relies significantly on Public-Private Partnerships (PPPs), supported by a strong legal and policy framework, innovative projects, and collaboration between government and private stakeholders. Despite challenges, successive housing initiatives demonstrate the potential of PPPs to transform the housing landscape, improve living conditions, and promote inclusive urban development. Achieving affordable and dignified housing for all Kenyans will require ongoing dedication, strategic investments, and flexible approaches.

Numerous key recommendations emerge for improving the effectiveness of Public-Private Partnerships (PPPs) in delivering low-cost housing in Kenya. Simplify the PPP Act and strengthen policies with better incentives to attract private investment. Expand funding options to include more private sector involvement and innovative financial products. Enhance financial terms and guarantees to encourage private investment.

Clearly define roles and responsibilities to ensure effective collaboration and mandate thorough community involvement in project planning. Develop clear risk-sharing frameworks and ensure transparency in procurement processes to select reliable partners. Implement strict controls to ensure projects are timely and meet quality standards. Introduce ongoing affordability assessments and subsidies, and integrate environmental and climate resilience criteria into housing projects.

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