



# Kenya

## Capacity Overview

Since starting operations in Kenya in 1982, Habitat for Humanity has worked in 46 of the country's 47 counties, both directly and through partners, enabling more than 3 million people to access decent housing, along with water, sanitation and hygiene services.

Habitat partners with all levels of government, community-based organizations, other nonprofits and the private sector to address the systemic barriers preventing families in Kenya from accessing adequate, resilient shelter. Our multisector approach has provided appropriate solutions in the country through a strategic focus on financial inclusion; housing market systems development; water, sanitation and hygiene, or WASH; disaster risk reduction and response; land tenure security; and energy efficiency.

Our programs in Kenya have evolved, notably through the Terwilliger Center for Innovation in Shelter, a Habitat for Humanity International unit that works with housing market actors to expand innovative and client-

responsive services, products and financing. Habitat's Terwilliger Center leads housing microfinance and market development initiatives in Kenya to help low-income households improve their housing more effectively and efficiently through the market. Among Habitat's donors in Kenya are the Mastercard Foundation, the Hilti Foundation and the IKEA Foundation.

Habitat works across the entire housing ecosystem, in partnership with households and communities, while harnessing market and sociopolitical forces. Habitat treats housing as a long-term, incremental process that builds on cross-sectorial interventions. A driver or catalyst for 13 of the United Nations' 17 Sustainable Development Goals, housing is particularly important in Kenya and other emerging economies as an essential component of recovery from the COVID-19 pandemic. To consolidate, better coordinate and deepen our operations in Africa, Habitat for Humanity has recently established an Africa Hub in Nairobi, where we will execute and manage operations across the continent.

## Country context

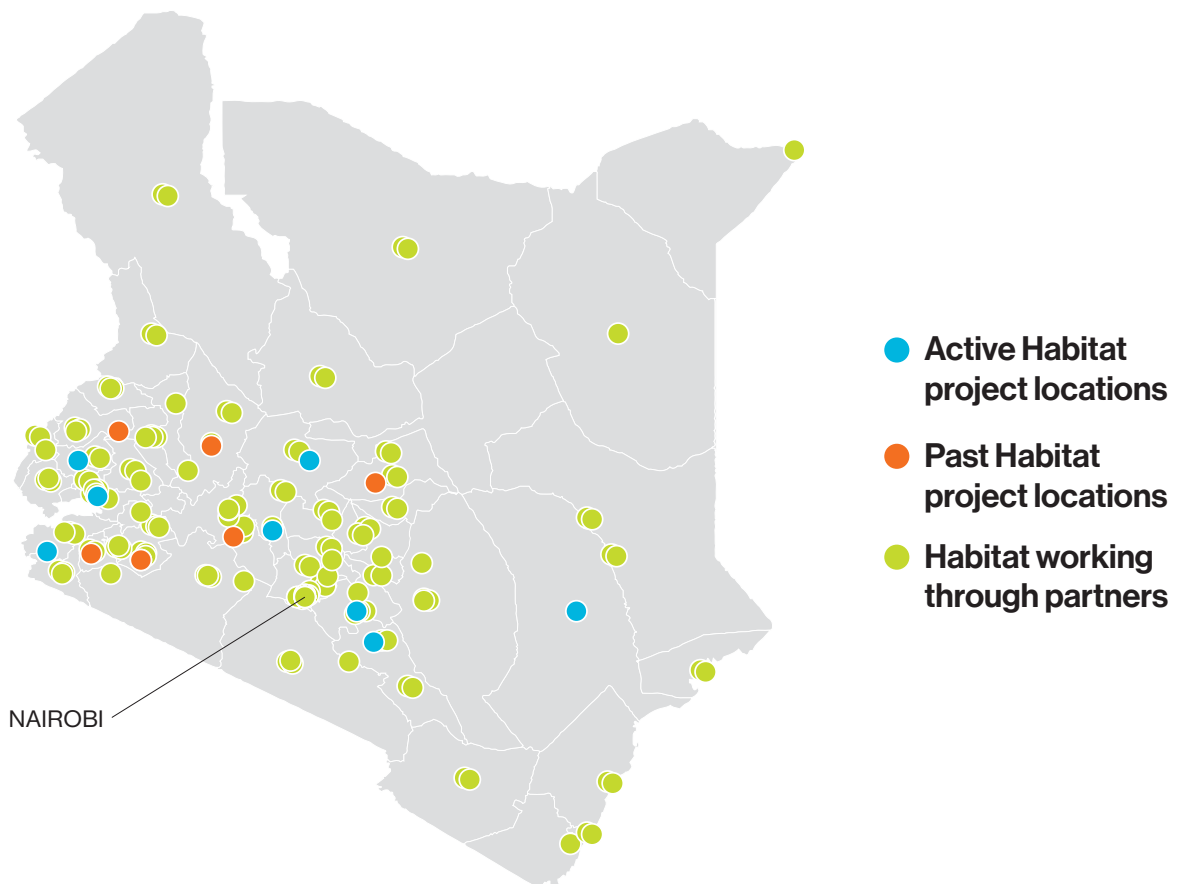
Kenya's population stood at 47.6 million in 2019, with an estimated annual growth of 2.3%, according to the World Bank. Kenya is one of the most developed countries in East Africa, with a young population and a dynamic, growing private sector. But the COVID-19 pandemic caused the country's economy to contract in 2020, according to the World Bank.

The government has led a welcome push for new housing programs and projects. Kenya's Constitution, adopted in 2010, stipulates that every person has a right to accessible, adequate housing and reasonable standards of sanitation, with county governments mandated to implement housing programs. But public initiatives alone are not enough to create the systemic changes required to meet the growing housing deficit, as official statistics reveal:

- **6.4 million** Kenyans live in slums, representing **about 56%** of the country's urban population.
- Kenya has an annual housing **gap of 250,000 housing units**, but developers build only **50,000 units**, with **49,000** of these targeting the upper-middle and

high-end market segments, according to the World Bank. This leaves the low-income group greatly undersupplied, with a **meager 1,000 units**. Moreover, the incremental housing process used by many families to acquire homes is not accounted for in this data.

- The urbanization rate of **4.4%** in Kenya is more than double the global average of **2.1%**.



# Financial inclusion

Habitat is supporting the economic well-being of communities and individual households by improving their access and use of housing finance. Finance is critical to the incremental homebuilding process used by most low-income families to secure adequate housing. Kenya has an established formal financial services sector used by roughly 83% of the adult population, according to the Central Bank of Kenya. However, housing financing models applied by formal institutions are limited in scope and scale, excluding the majority of low- and middle-income households. Kenya's mortgage market remains very limited, with only 26,187 mortgage loans as of December 2017. Therefore, financing options for housing for low-income individuals – those living on US\$5-10 per day – remain scarce and largely informal, Habitat's Terwilliger Center has found.

At the household level, Habitat has supported over 2,000 individuals through training, savings mobilization and retail loans for incremental building. Our retail lending program operated in nine counties – Bungoma, Homa Bay, Kisii, Bomet, Baringo (Eldama Ravine), Nakuru (Mai Mahiu), Machakos, Meru (Maua and Chuka) and Laikipia – helping improve housing for nearly 390,000 people. At the market level, Habitat is working with financial institutions, private entities and investors to develop financial products targeted at low-income households. Through a project funded by the Mastercard Foundation, Habitat worked with a microfinance institution to develop a product that reached more than 300,000 people in three years and catalyzed more than \$70 million in investments

into low-income housing. Through Habitat's MicroBuild Fund, we invested in a regional microfinance institution focusing on low-income urban rental housing and helped grow its housing portfolio by over 85%. We continue to build on this experience of facilitating housing finance solutions by working with not only financial institutions but also insurers and other companies and innovators. Our aim is to catalyze a range of affordable financial solutions for low-income households, construction workers and other industry players in Kenya. Current partners include the Association of Microfinance Institutions in Kenya, Kenya Women Microfinance Bank, Letshego Kenya Limited, Faulu Microfinance Bank Limited, the International Labour Organisation, and the Britam Insurance Company.





# Innovation and entrepreneurship



Habitat stimulates the entrepreneurship ecosystem to ensure innovators and startups continue to develop new shelter solutions and raise capital to grow their business. This program contributes to stimulating and nurturing groundbreaking affordable shelter solutions.

Through ShelterTech, the world's leading platform for affordable housing innovation, Habitat implemented the first shelter-focused accelerator in the region in 2018, reaching more than 30 innovators and investors. Some startups that participated in a ShelterTech accelerator based in Kenya innovated recycling of agricultural waste and plastics to housing products. These entrepreneurs have been plugged into a global network of housing entrepreneurs. Ecosystem partners include BDO, Pangea Accelerator, iBiz Africa, and the Kenya Industrial Research and Development Institute.



# Housing market systems development

The market systems development work of Habitat's Terwilliger Center takes on many forms in Kenya. Project areas include:

- **Housing construction labour program.** Habitat recognizes the important role that housing construction workers, commonly called *fundis* in Kenya, play in ensuring the quality of affordable housing. We seek to open up household access to quality construction services while improving the conditions of the *fundis* who serve them, with a particular focus on youth and gender inclusivity. Habitat focuses on four main components: improving the skills of workers, helping workers competitively access decent jobs, stimulating demand for quality housing construction services, and addressing policy changes that allow *fundis* to be certified based on prior knowledge and to participate freely in the market. Key partners include technical vocational training institutes; the YMCA's national industrial training colleges in Kenya; market aggregators of construction services, such as iBuild Kenya, Toolkit iSkills, Eurofix, and policy and regulatory bodies; and the Kenya Engineering Technology Registration Board. Working with these partners, the programme has so far reached more than 40,000 *fundis*.
- **Construction practices.** Construction practices are key to helping low-income households attain quality, affordable housing. Habitat applies systems thinking, human-centered design and behavioral change approaches to influence the behavior of low-income households. We support material manufacturers through funding and technical assistance so that they can better innovate affordable and durable construction materials that will serve the owner-driven construction market and enable low-income households build quality homes. This includes working with professional associations and health practitioners to develop and promote healthy housing practices, work that grew more important during the COVID-19 pandemic and the related calls to shelter in place. Current efforts include designs and interventions to make homes more resistant to diseases. Our partners include the Architectural Association of Kenya,

InnoCentive, MycoTile, Start Somewhere, Gjenge Makers and Makiga Engineering Services.

- **Housing behavior change:** For families living on less than US\$10 a day, the housing challenge is exacerbated by limited capacity and information to navigate the complex housing environment. They mostly rely on *fundis* for their entire construction or home improvement process since professional services are too expensive. Households often encounter significant information gaps, difficulties in choosing appropriate materials and technologies, cash flow challenges and ballooning costs. Habitat works to increase knowledge and uptake of emerging housing solutions and products, including by partnering with media companies in Kenya. In 2020, Habitat teamed up with Kenya's Nation Media Group to feature best practices and materials related to incremental construction in six episodes of *The Wicked Edition*, a popular television talk show on the NTV network, reaching more than 9 million Kenyans.





# Water, sanitation and hygiene, or WASH

Habitat develops and delivers inclusive WASH interventions that are customized, affordable and sustainable. Through a community-driven process, our WASH programs are placed within the overall housing and urban ecosystems. Habitat strives to use contextually appropriate technologies; engages in responsible use of natural resources; and, where appropriate, includes information and knowledge management opportunities.

In Kenya, Habitat's experience with WASH started in 2016, when the organization worked with orphans and vulnerable groups in selected communities in Laikipia, Homa Bay and Machakos. Habitat helped 102 families by constructing new houses and water and sanitation facilities. Since 2018, this program has reached more than 10,000 people in local communities and schools. Habitat drilled boreholes, renovated public water points, and developed water harvesting systems and water storage facilities for households. Funding partners in this WASH work have included Procter & Gamble, Samsung and LG Electronics.



## Disaster risk reduction and response



Habitat supports communities in reducing risk from and exposure to disasters while helping develop sustainable disaster response interventions, from helping internally displaced people build homes to establishing WASH interventions in drought-prone areas. During the COVID-19 pandemic, Habitat has distributed cash transfers to vulnerable communities in Laikipia and Homa Bay counties.

Habitat's disaster risk reduction and response programs draw upon the organization's larger Pathways to Permanence approach to reducing the vulnerability of disaster-affected families, using a holistic program that puts them on a path to durable, permanent shelter solutions. This is an issue of particular importance given the tendency for affected families with shelter needs to engage in self-recovery and owner-driven reconstruction after disasters.

Habitat focuses as much on the process of sheltering and risk reduction as it does on the products that may support it. Effective shelter assistance and programs build on those efforts. Our goal is to restore not only physical structures but also social, economic, natural and cultural environments. Shelter assistance also serves as a platform for health, water, sanitation, livelihood protection, education and other post-disaster interventions.



## Land tenure security

By advocating for land rights, especially for low-income women, Habitat helps empower local communities to confront a key barrier to adequate shelter. Habitat's experience with evidence-based advocacy in Kenya started in 2018, through our Solid Ground campaign supporting women and vulnerable groups in securing land titles and raising awareness of existing laws and land tenure options. Interventions included legal and financial support for processing formal ownership and advocating with local and national governments to recognize and implement incremental land ownership alternatives. For example, Habitat successfully lobbied the local and national government to allocate 50 acres of land and issue land titles to 400 families in Laikipia. Habitat's land tenure advocacy strategies have included:

- Advocating for the improvement of land governance and administration systems.
- Working with county governments to digitalize land titling and develop alternative tenure options.
- Empowering women and other vulnerable groups to secure land tenure through formal and informal mechanisms of land ownership.
- Supporting policymakers to promote policies, laws, systems and practices that advance land tenure security.
- Creating public awareness about existing land laws and tenure options and empowering community lobby groups to influence land access and ownership.



## Energy efficiency

For many low-income households in Kenya, especially in rural areas, access to renewable energy or sustainable construction products is very limited. These products are expensive and often out of reach for families. Habitat works to increase access to alternative, environmentally friendly energy sources so that these families can save money while reducing impacts on Kenya's environment. Habitat is working with microfinance institutions and other partners, including SunTransfer and Juhudi Kilimo, to test distribution models that integrate financial services, making the products accessible to the people who need them most.

Habitat has invested in BURN, a clean cookstove company, to benefit more than 300,000 households. The cookstove is an affordable technology that helps reduce indoor air pollution and the amount of forest cut down to produce charcoal.

# The Habitat network

Habitat for Humanity Kenya is an affiliate of Habitat for Humanity International, a global housing organization that includes the Terwilliger Center and partners with a full range of stakeholders in more than 70 countries. Habitat for Humanity implements appropriate solutions for more than 5 million people per year in urban, peri-urban and rural areas using the Housing Ecosystem approach. Habitat advocates for policies that bring adequate housing within reach for the estimated 1.6 billion people worldwide who currently lack decent shelter, and we help make housing market systems more responsive to their needs.

In Kenya, Habitat draws financial and technical support for its programmatic activities and operations from Habitat for Humanity International. Habitat's Africa Hub in Nairobi possesses expertise and resources to develop and implement innovative, complex programs across sub-Saharan Africa. Through the hub structure, Habitat for Humanity can work in new locations or alongside national organizations in the existing network. The Africa Hub can quickly deploy experienced project managers or thematic experts in areas such as WASH to support project development or implementation.

# Accountability

Habitat for Humanity has a strong commitment to the families and communities it serves and to partners and donors who support its mission and objectives. It has a robust system that monitors the use of funds it receives from donors and other constituents. All staff members, board members and service providers sign Habitat's safeguarding and conflict of interest policies. Habitat's ethics policy protects communities it serves from abuse and exploitation, and volunteers, vendors, donors and the public have a platform to confidentially report any suspected malpractice or unethical activity.

Habitat employs a robust monitoring, evaluation, accountability and learning, or MEAL, system that has been set up to continually track and – if needed – modify and refine approaches. This commitment to MEAL is a hallmark of all Habitat for Humanity programs worldwide, including in Kenya.

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