

NON-CONVENTIONAL APPROACHES TO FINANCING
LOW-COST HOUSING SCHEMES IN KENYA

Two Case Studies for UNCHS (HABITAT)

A Study by
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1.00 INTRODUCTION

1.1.0 The United Nations Centre for Human Settlements UNCHS (Habitat) in its role of advising and assisting governments to provide and improve the living conditions and quality of life in human settlement programmes recognises the fact that;

- i) low-income and disadvantaged groups especially in developing countries have been and continue to be excluded from the formal financing arrangements for improving their settlements,
- ii) they are also denied the basic requirements such as land, infrastructural services, technical services, etc for the provision of decent settlements affordable to them.

This is due to the groups' inability to pay for these costly facilities and services and to meet the demanding terms and conditions attached to the formal financial arrangements which could have been extended to them to pay for such facilities. Many governments and recognised financing institutions are also reluctant to play any major and active role in financing the development of such schemes because of the same reasons. However, a bigger percentage of the developing countries' population is made up of these groups which continue to put pressure on governments especially in urban areas where decent affordable housing hardly exists. The groups form squatter settlements which pose major problems and are regarded as eye-sores to the governments and the public as a whole. Thus calling for urgent need to find alternative ways and means of financing the development and improvement of such settlement schemes for these groups. All these reinforce the fundamental role of finance and particularly of accessibility to it, in house construction and improvement.