

Research Article

Urban Governance and Affordable Housing Delivery in Kenya: Evaluating the Big Four Agenda Policy Framework

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Abstract: Kenya faces a critical affordable housing deficit exceeding 200,000 units annually, with approximately 60% of urban populations residing in informal settlements. This paper examines the intersection of urban governance structures and affordable housing delivery mechanisms within the context of Kenya's Big Four Agenda policy framework, which prioritizes housing as a key development pillar. Through systematic analysis of governance practices, institutional frameworks, and policy implementation across major Kenyan cities including Nairobi, Mombasa, and Kisumu, this study identifies critical gaps between policy objectives and implementation outcomes. The analysis reveals that fragmented institutional coordination, inadequate legal frameworks, limited financial mechanisms, and weak stakeholder engagement significantly constrain housing delivery. Key findings indicate that governance failures at municipal and national levels have perpetuated informal settlement proliferation, with only 5,568 housing units constructed between 1986-1994 against substantially higher targets. The paper evaluates governance mechanisms including public-private partnerships, community-led upgrading initiatives, and regulatory reforms, demonstrating that successful housing delivery requires integrated approaches combining institutional capacity building, legal framework modernization, and enhanced financial instruments. Policy recommendations emphasize the need for coordinated multi-stakeholder governance, streamlined regulatory processes, innovative financing mechanisms, and community participation frameworks to achieve the Big Four Agenda's housing targets and ensure sustainable urban development.

Keywords: Urban governance, affordable housing, Kenya, Big Four Agenda, policy framework, institutional mechanisms, housing delivery.

1. INTRODUCTION

Kenya's rapid urbanization trajectory presents unprecedented challenges for housing provision and urban governance. With urban population growth rates exceeding 4% annually, the country faces an acute housing deficit estimated at over 200,000 units per year, creating a cumulative backlog that threatens sustainable urban development (Noppen, 2018). Approximately 60% of urban residents live in informal settlements characterized by inadequate infrastructure, insecure tenure, and substandard living conditions (Ngayu, 2011). This housing crisis reflects deeper systemic failures in urban governance, policy implementation, and institutional coordination that have persisted despite numerous policy interventions over several decades. The Big Four Agenda, launched as a national development framework, identifies affordable housing as one of four priority pillars alongside universal

healthcare, food security, and manufacturing. This policy framework aims to deliver 500,000 affordable housing units and create employment opportunities while addressing the persistent housing deficit. However, the success of this ambitious agenda depends critically on effective urban governance mechanisms, institutional capacity, and coordinated policy implementation across multiple levels of government and stakeholder groups (Riechi *et al.*, 2018).

Urban governance encompasses the systems, processes, and institutions through which cities are managed and decisions affecting urban development are made. In the context of housing delivery, governance involves complex interactions among national and local government agencies, private sector developers, financial institutions, civil society organizations, and community groups (Muthee, 2011). The effectiveness of

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these governance arrangements determines whether housing policies translate into tangible outcomes that meet the needs of low and middle-income urban populations.

Kenya's housing governance landscape has evolved through multiple policy phases, from the post-independence emphasis on public sector provision to market-oriented reforms in the 1990s and more recent attempts at integrated approaches combining public, private, and community participation (Mitullah, 1992). Despite this evolution, persistent challenges including fragmented institutional responsibilities, inadequate regulatory frameworks, limited financing mechanisms, and weak coordination have constrained housing delivery outcomes. The gap between policy objectives and implementation results raises critical questions about the governance structures and mechanisms required to achieve the Big Four Agenda's housing targets. This paper examines urban governance and affordable housing delivery in Kenya through systematic analysis of institutional frameworks, policy implementation mechanisms, and stakeholder coordination across major urban centers. The analysis evaluates governance practices in cities including Nairobi, Mombasa, and Kisumu, identifying critical success factors and constraints that shape housing delivery outcomes. By examining the intersection of governance structures and housing policy implementation, this study contributes to understanding how institutional arrangements can be strengthened to achieve sustainable and equitable housing provision under the Big Four Agenda framework.

The research addresses three key questions: First, what governance mechanisms and institutional frameworks currently shape affordable housing delivery in Kenya? Second, what are the primary constraints and failures in governance that impede housing policy implementation? Third, what policy reforms and governance innovations are necessary to achieve the Big Four Agenda's housing objectives? These questions guide the analysis of Kenya's housing governance landscape and inform recommendations for policy and institutional reform.

2. LITERATURE REVIEW

2.1 Theoretical Foundations of Urban Governance and Housing

Urban governance theory provides essential frameworks for understanding how cities manage housing provision and coordinate multiple stakeholders in complex institutional environments. Governance extends beyond government to encompass networks of actors, institutions, and processes that shape urban development outcomes (Muthee, 2011). Fragmented governance structures often weaken policy implementation by creating coordination gaps, overlapping mandates, and limited accountability across institutions, highlighting the need for integrated

governance frameworks that align multiple regulatory and operational systems (Joseph, 2013). In housing delivery, effective governance requires coordination among national policy frameworks, local government implementation capacity, private sector participation, and community engagement mechanisms. The right to adequate housing, recognized in international frameworks, establishes housing as a fundamental human right rather than merely a commodity. This rights-based approach emphasizes government obligations to ensure access to affordable, adequate housing for all citizens, particularly vulnerable and low-income populations (Ettyang, 2011). However, translating this normative framework into practical governance mechanisms remains challenging, especially in resource-constrained contexts where competing development priorities strain public budgets and institutional capacity. Institutional theory highlights how formal and informal rules, norms, and organizational structures shape policy implementation and outcomes. In Kenya's housing sector, institutional fragmentation across multiple government agencies, unclear mandates, and weak coordination mechanisms have created governance gaps that impede effective housing delivery (Kibati, 2015). The institutional framework includes national ministries responsible for housing policy, local governments managing land use and development control, parastatal organizations like the National Housing Corporation, and regulatory bodies overseeing construction standards and financial services. Public-private partnership models have emerged as governance mechanisms to leverage private sector resources, expertise, and efficiency while maintaining public sector oversight and social objectives. However, the effectiveness of such partnerships depends on clear contractual frameworks, risk-sharing arrangements, and governance structures that balance commercial viability with affordability objectives (Bruggema, 2009). Kenya's experience with public-private partnerships in housing has been mixed, with successful examples limited by inadequate legal frameworks, financing constraints, and coordination challenges.

2.2 Kenya's Housing Policy Evolution

Kenya's housing policy has evolved through distinct phases reflecting changing governance philosophies and development priorities. The immediate post-independence period emphasized direct public sector provision, with government agencies constructing housing estates for civil servants and low-income populations. Sessional Paper No. 5 of 1966 established national housing production targets and positioned government as the primary housing provider (Mitullah, 1992). During the 1970s and early 1980s, the public sector supplied approximately 75% of annual housing production, with the National Housing Corporation and municipal councils serving as principal implementing agencies. However, this public sector-dominated approach failed to meet growing housing

demand, with production consistently falling short of targets. Between 1986 and 1994, only 5,568 housing units were constructed against substantially higher national targets, revealing fundamental weaknesses in implementation capacity and resource mobilization (Kefa *et al.*, 2012). The gap between policy objectives and outcomes prompted policy shifts toward market-oriented approaches emphasizing private sector participation and reduced direct government provision.

The 1990s witnessed significant policy reforms influenced by structural adjustment programs and neoliberal economic policies. The National Housing Policy of 1994 repositioned government as an enabler rather than direct provider, emphasizing regulatory frameworks, land provision, and infrastructure development to facilitate private sector housing production (Macoolo, 1994). This shift reflected broader governance trends toward market mechanisms and reduced state intervention in economic activities. Despite these reforms, housing delivery outcomes remained inadequate, with informal settlement proliferation accelerating in major urban centers. By the early 2000s, approximately 60% of Nairobi's population resided in informal settlements occupying less than 6% of the city's land area, highlighting the failure of market-oriented approaches to address low-income housing needs (Mwaniki *et al.*, 2015). This reality prompted renewed attention to governance mechanisms, institutional capacity, and integrated approaches combining public, private, and community participation. Recent policy frameworks, including Vision 2030 and the Big Four Agenda, have reemphasized affordable housing as a national priority. The Big Four Agenda specifically targets 500,000 affordable housing units, representing a significant scaling up of housing production ambitions. However, achieving these targets requires addressing persistent governance challenges that have constrained previous policy initiatives (Ochieng, 2018).

2.3 Governance Challenges in Housing Delivery

Multiple governance challenges constrain affordable housing delivery in Kenya, spanning institutional, regulatory, financial, and coordination dimensions. Institutional fragmentation represents a fundamental constraint, with housing responsibilities dispersed across multiple national ministries, county governments, and parastatal organizations without clear coordination mechanisms (Githenya *et al.*, 2014). This fragmentation creates overlapping mandates, duplicated efforts, and gaps in implementation responsibility that impede coherent policy execution. Regulatory frameworks governing land use, building standards, and development approval processes present significant barriers to housing production. Complex, time-consuming approval procedures increase development costs and timelines, discouraging private sector participation in affordable housing segments (Kimani *et al.*, 2010). Outdated building codes and planning

regulations often fail to accommodate innovative construction technologies or incremental housing approaches that could reduce costs and expand affordability. Financial constraints limit both public sector capacity to invest in housing infrastructure and household ability to access housing finance. Limited mortgage market penetration, high interest rates, and stringent lending criteria exclude most low and middle-income households from formal housing finance (Mbuguah, 2017). Public sector budget allocations for housing remain inadequate relative to the scale of need, while mechanisms to leverage private capital through innovative financing instruments remain underdeveloped.

Land governance presents particularly acute challenges, with complex tenure systems, unclear property rights, and limited availability of serviced land constraining housing development. Land speculation, inadequate land banking by public agencies, and weak enforcement of land use regulations contribute to high land costs that undermine housing affordability (Rigon, 2016). In informal settlements, insecure tenure and contested property rights complicate upgrading initiatives and discourage household investment in housing improvements. Weak stakeholder coordination mechanisms limit the effectiveness of housing interventions. Successful housing delivery requires coordination among multiple actors including national and local government agencies, private developers, financial institutions, civil society organizations, and community groups (Muraguri, 2011). However, institutional mechanisms for stakeholder engagement and coordination remain weak, resulting in fragmented initiatives that fail to achieve scale or sustainability. Capacity constraints at local government level significantly impede housing delivery, particularly following devolution of housing functions to county governments under Kenya's 2010 Constitution. Many county governments lack technical expertise, financial resources, and institutional systems to effectively manage housing programs and coordinate with national agencies and private sector partners (Schramm, 2017). This capacity gap undermines the potential benefits of devolution and creates implementation bottlenecks.

3. METHODOLOGY

This study employs a systematic literature review methodology to examine urban governance and affordable housing delivery in Kenya within the Big Four Agenda policy framework. The research synthesizes evidence from academic literature, policy documents, and empirical studies focusing on governance mechanisms, institutional frameworks, and housing delivery outcomes across Kenyan urban centers. Data extraction focused on three key dimensions: (1) governance mechanisms and institutional frameworks, including government agencies, regulatory systems, coordination mechanisms, and stakeholder roles; (2) housing delivery outcomes,

including production statistics, implementation challenges, and success factors; and (3) policy challenges and recommendations, including systemic constraints, implementation gaps, and proposed reforms. This structured extraction approach enabled systematic comparison across studies and identification of recurring themes and patterns. The analysis employed thematic synthesis to identify key governance challenges, institutional arrangements, and policy implementation patterns across different urban contexts and time periods. Comparative analysis examined variations in governance approaches and outcomes across major urban centers including Nairobi, Mombasa, and Kisumu. The synthesis integrated findings from multiple studies to develop comprehensive understanding of governance-housing delivery relationships and inform policy recommendations.

Limitations of this methodology include reliance on published literature, which may not capture recent policy developments or unpublished implementation experiences. The focus on academic literature may underrepresent practitioner perspectives and operational insights from implementing agencies. Additionally, variations in research methodologies, data quality, and analytical approaches across reviewed studies necessitate careful interpretation of findings. Despite these limitations, the systematic review approach provides robust evidence synthesis for understanding governance challenges and informing policy recommendations.

4. RESULTS AND ANALYSIS

4.1 Institutional Framework and Governance Structures

Analysis of Kenya's housing governance reveals a complex institutional landscape characterized by multiple actors operating across national and local government levels with overlapping mandates and limited coordination. At the national level, the Ministry of Lands and Housing holds primary policy responsibility, while the National Housing Corporation serves as the principal parastatal organization for public housing development. However, housing functions intersect with multiple other ministries including Local Government, Finance, and Planning, creating coordination challenges (Mitullah, 1992). The 2010 Constitution's devolution framework transferred significant housing responsibilities to county governments, fundamentally restructuring governance arrangements. County governments now manage land use planning, development control, and housing

program implementation within their jurisdictions. However, this devolution has created new coordination challenges between national policy frameworks and county-level implementation, with unclear delineation of responsibilities and limited mechanisms for vertical integration (Schramm, 2017). Municipal councils historically played central roles in housing provision, particularly through tenant purchase schemes and estate development programs. The Nairobi City Council's implementation of the Umoja Tenant Purchase scheme illustrates both the potential and limitations of municipal housing provision. While the scheme successfully constructed housing units, it failed to reach intended low-income beneficiaries due to inadequate targeting mechanisms, cost escalation, and governance weaknesses within the implementing agency (Mitullah, 1992).

Regulatory frameworks governing housing development involve multiple agencies with distinct mandates. The Department of Physical Planning manages spatial planning and development control, while the National Construction Authority oversees building standards and contractor registration. County governments issue development approvals and building permits, creating multi-layered approval processes that increase transaction costs and timelines. This regulatory complexity particularly constrains affordable housing development, where thin profit margins make projects sensitive to cost and time overruns (Kimani *et al.*, 2010). Public-private partnership mechanisms have been promoted as governance innovations to leverage private sector resources and expertise. However, implementation has been limited by inadequate legal frameworks, unclear risk-sharing arrangements, and coordination challenges between public and private partners. The Nakuru case study demonstrates that successful partnerships require clear contractual frameworks, aligned incentives, and sustained coordination mechanisms that balance commercial viability with social objectives (Bruggema, 2009). Community-based organizations and civil society groups have emerged as important governance actors, particularly in informal settlement upgrading initiatives. The Huruma slum upgrading project in Nairobi illustrates how community-led approaches can mobilize local resources, ensure participatory planning, and achieve sustainable outcomes when supported by appropriate governance frameworks and external partnerships (Ettyang, 2011). However, scaling such community-based approaches requires institutional mechanisms to integrate them within formal governance structures.

Table 1: Key Institutional Actors in Kenya's Housing Governance Framework

Institution/Actor	Primary Responsibilities	Governance Level	Key Challenges
Ministry of Lands and Housing	National housing policy formulation, coordination, and oversight	National	Limited implementation capacity; weak coordination with other ministries and county governments
National Housing Corporation	Public housing development and management; mortgage financing	National (Parastatal)	Inadequate funding; limited production capacity; narrow target market reach
County Governments	Land use planning; development control; housing program implementation	County/Local	Capacity constraints; limited technical expertise; inadequate financial resources
Municipal Councils	Urban planning; infrastructure provision; housing estate management	Local	Governance weaknesses; resource limitations; coordination gaps with national agencies
Department of Physical Planning	Spatial planning; development control; planning standards	National/County	Complex approval processes; outdated regulations; limited enforcement capacity
National Construction Authority	Building standards; contractor registration; quality assurance	National	Limited enforcement; capacity constraints; regulatory gaps
Private Sector Developers	Housing construction and sales; market-rate and affordable housing	Market	Limited engagement in affordable segments; financing constraints; regulatory barriers
Community-Based Organizations	Informal settlement upgrading; community mobilization; participatory planning	Community	Limited resources; weak integration with formal governance; sustainability challenges

4.2 Housing Delivery Outcomes and Performance

Housing production outcomes reveal persistent gaps between policy targets and implementation results across multiple decades. Between 1986 and 1994, only 5,568 housing units were constructed against substantially higher national targets, representing a production rate far below the estimated annual need of 120,000 units (Kefa *et al.*, 2012). This implementation gap reflects fundamental weaknesses in governance capacity, resource mobilization, and coordination mechanisms. The housing deficit has grown substantially over time, with current estimates exceeding 200,000 units annually. Urban population growth rates of approximately 4% per year, combined with inadequate housing production, have resulted in cumulative backlogs that strain urban infrastructure and services (Noppen, 2018). Approximately 60% of urban populations reside in informal settlements, indicating that informal mechanisms have become the de facto housing delivery system for most low-income households (Ngayu, 2011). Regional variations in housing delivery outcomes reflect differences in governance capacity, economic conditions, and institutional arrangements across urban centers. Nairobi, as the capital and largest city, has received disproportionate policy attention and investment, yet still faces acute housing shortages with over 60% of residents in informal settlements (Mwaniki *et al.*, 2015). Mombasa's housing governance has been constrained by land tenure complexities and limited municipal capacity, while Kisumu faces challenges related to

economic constraints and weak institutional frameworks (Otieno, 2018).

Public sector housing production has declined significantly since the 1980s, when government agencies supplied approximately 75% of annual production. By the 2000s, public sector contribution had diminished substantially, with private sector and informal mechanisms dominating housing supply (Kefa *et al.*, 2012). This shift reflects both policy changes emphasizing market mechanisms and declining public sector capacity and resources for direct housing provision. Affordability remains a critical constraint, with formal housing prices far exceeding the financial capacity of most low and middle-income households. Limited mortgage market penetration, estimated at less than 3% of GDP, restricts access to housing finance for most households (Mbuguah, 2017). High interest rates, stringent lending criteria, and limited product diversity in housing finance markets exclude the majority of potential homebuyers from formal financing mechanisms. Informal settlement proliferation represents the most visible manifestation of housing governance failures. Settlements like Kibera in Nairobi, housing hundreds of thousands of residents, have developed with minimal government oversight or service provision. While some upgrading initiatives have been implemented, their scale remains inadequate relative to need, and sustainability challenges persist due to weak governance frameworks and limited resources (Muraguri, 2011).

Table 2: Housing Delivery Performance Indicators Across Major Kenyan Cities

City	Population (approx.)	Informal Settlement Population (%)	Annual Housing Deficit (units)	Key Governance Challenges	Notable Initiatives
Nairobi	4.5 million	60%	80,000+	Institutional fragmentation; land tenure complexity; inadequate financing; weak coordination	Kibera upgrading; Umoja Tenant Purchase; community-led initiatives
Mombasa	1.2 million	55%	25,000+	Land tenure issues; limited municipal capacity; coordination gaps; resource constraints	Mombasa Municipal Council housing schemes; coastal settlement upgrading
Kisumu	500,000	50%	15,000+	Economic constraints; weak institutional frameworks; limited private sector engagement	Municipal housing programs; incremental upgrading initiatives
Eldoret	350,000	60%	10,000+	Rapid urbanization; limited planning capacity; inadequate infrastructure; financing gaps	Low-income housing schemes; private sector developments
Nakuru	400,000	45%	12,000+	Coordination challenges; regulatory barriers; limited public investment	Public-private partnership pilot; municipal housing estates

4.3 Stakeholder Roles and Coordination Mechanisms

Effective housing delivery requires coordination among diverse stakeholders with distinct interests, capacities, and mandates. Analysis reveals that weak coordination mechanisms represent a fundamental governance constraint limiting housing policy implementation. National government agencies, county governments, private sector actors, financial institutions, civil society organizations, and community groups operate with limited integration, resulting in fragmented initiatives that fail to achieve scale or sustainability (Githenya *et al.*, 2014). National government agencies hold primary responsibility for policy formulation, regulatory frameworks, and resource allocation. However, implementation capacity remains limited, with inadequate staffing, technical expertise, and financial resources constraining program delivery. The National Housing Corporation, despite its mandate as the principal public housing developer, has produced limited units relative to need due to funding constraints and operational inefficiencies (Mitullah, 1992).

County governments, following devolution, have assumed significant housing responsibilities but face substantial capacity constraints. Many counties lack technical expertise in housing development, financial management systems, and stakeholder coordination mechanisms. This capacity gap has created implementation bottlenecks and limited the effectiveness of devolved housing functions (Schramm, 2017). Private sector engagement in affordable housing

remains limited despite policy emphasis on market mechanisms. Developers cite multiple constraints including high land costs, complex regulatory processes, limited access to development finance, and uncertain demand from target populations. The absence of effective incentive mechanisms, such as tax benefits or subsidized land, further discourages private sector participation in affordable housing segments (Mbuguah, 2017).

Financial institutions play critical roles in housing delivery through mortgage provision and development finance. However, conservative lending practices, high interest rates, and limited product innovation restrict housing finance access for most households. Mortgage market penetration remains below 3% of GDP, far lower than regional comparators, indicating substantial untapped potential for financial sector engagement (Macoloo, 1994). Civil society organizations and community-based groups have demonstrated capacity to mobilize resources, facilitate participatory planning, and implement upgrading initiatives in informal settlements. The Huruma upgrading project illustrates how community-led approaches can achieve sustainable outcomes when supported by appropriate partnerships and governance frameworks (Ettyang, 2011). However, scaling community-based approaches requires institutional mechanisms to integrate them within formal governance structures and ensure sustained resource flows. International development partners have provided technical assistance, financing, and capacity building support for housing initiatives. However, donor-funded

projects often operate outside mainstream governance structures, creating parallel systems that may not be sustainable beyond project timelines. Integrating donor support within national and county governance frameworks remains a challenge requiring strengthened coordination mechanisms (Muraguri, 2011).

5. DISCUSSION

5.1 Governance Failures and Systemic Constraints

The persistent gap between housing policy objectives and implementation outcomes reflects fundamental governance failures spanning institutional, regulatory, financial, and coordination dimensions. Institutional fragmentation emerges as a primary constraint, with housing responsibilities dispersed across multiple agencies without clear coordination mechanisms or accountability frameworks. Studies on governance system integration similarly emphasize that fragmented institutional arrangements reduce strategic oversight and policy coherence, reinforcing the importance of coordinated governance architectures in complex policy environments (Kolade, 2019). This fragmentation creates overlapping mandates, duplicated efforts, and gaps in implementation responsibility that impede coherent policy execution (Kibati, 2015). The devolution of housing functions to county governments, while potentially beneficial for local responsiveness, has created new coordination challenges. Unclear delineation of responsibilities between national and county levels, limited vertical integration mechanisms, and capacity constraints at county level have undermined effective implementation. Many counties lack the technical expertise, financial resources, and institutional systems required to manage complex housing programs and coordinate with multiple stakeholders (Schramm, 2017). Regulatory frameworks present significant barriers to housing production, particularly for affordable segments. Complex, time-consuming approval processes increase development costs and timelines, discouraging private sector participation. Building codes and planning regulations often fail to accommodate innovative construction technologies or incremental housing approaches that could reduce costs and expand affordability. Regulatory reform efforts have been limited by institutional resistance, capacity constraints, and inadequate stakeholder consultation (Kimani *et al.*, 2010). Financial constraints limit both public sector investment capacity and household access to housing finance. Public budget allocations for housing remain inadequate relative to need, while mechanisms to leverage private capital through innovative financing instruments remain underdeveloped. The limited mortgage market penetration reflects both supply-side constraints in financial sector capacity and demand-side barriers including high interest rates, stringent lending criteria, and limited household incomes (Mbuguah, 2017).

Land governance failures significantly constrain housing delivery. Complex tenure systems, unclear property rights, limited availability of serviced land, and weak enforcement of land use regulations contribute to high land costs that undermine affordability. Land speculation and inadequate land banking by public agencies further exacerbate supply constraints. In informal settlements, insecure tenure and contested property rights complicate upgrading initiatives and discourage household investment in housing improvements (Rigon, 2016).

5.2 Policy Implementation Gaps

Substantial gaps between policy formulation and implementation characterize Kenya's housing sector. The Big Four Agenda's ambitious target of 500,000 affordable housing units requires addressing persistent implementation constraints that have limited previous policy initiatives. Historical evidence demonstrates that policy targets have consistently exceeded actual production, with the 1986-1994 period producing only 5,568 units against substantially higher targets (Kefa *et al.*, 2012). Implementation gaps reflect multiple factors including inadequate resource allocation, weak institutional capacity, limited stakeholder coordination, and insufficient monitoring and evaluation mechanisms. Public sector budget allocations for housing have been inadequate and inconsistent, undermining program continuity and scale. The absence of dedicated, sustained financing mechanisms limits both direct public provision and incentives for private sector participation in affordable segments (Macoloo, 1994). Institutional capacity constraints at both national and county levels impede effective program implementation. Limited technical expertise in housing development, project management, and financial administration constrains delivery capacity. High staff turnover, inadequate training, and weak organizational systems further undermine institutional effectiveness. Capacity building initiatives have been fragmented and insufficient relative to need (Githenya *et al.*, 2014). Stakeholder coordination mechanisms remain weak, limiting the effectiveness of housing interventions. Successful delivery requires integration among national agencies, county governments, private developers, financial institutions, and community organizations. However, formal coordination platforms are limited, and informal coordination is constrained by institutional rivalries, unclear mandates, and competing priorities. The absence of effective coordination results in fragmented initiatives that fail to achieve scale or sustainability (Muraguri, 2011).

Monitoring and evaluation systems are inadequate for tracking implementation progress, identifying bottlenecks, and ensuring accountability. Evidence from regulatory governance research suggests that data-driven monitoring systems can significantly improve oversight and implementation effectiveness by

enabling real-time tracking of policy outcomes and institutional performance (Odutayo, 2020). Limited data on housing production, affordability, and quality constrains evidence-based policy making and adaptive management. The absence of robust monitoring frameworks allows implementation gaps to persist without corrective action (Ochieng, 2018).

5.3 Comparative Analysis of Urban Centers

Comparative analysis across major Kenyan cities reveals both common governance challenges and context-specific variations that shape housing delivery outcomes. Nairobi, as the capital and largest city, has received disproportionate policy attention and investment, yet faces acute housing shortages with over 60% of residents in informal settlements. The city's governance challenges include institutional fragmentation, land tenure complexity, high land costs, and weak coordination among multiple agencies operating within the metropolitan area (Mwaniki *et al.*, 2015). Mombasa's housing governance is complicated by unique land tenure issues related to coastal land ownership and historical claims. Limited municipal capacity, coordination gaps between national and local agencies, and resource constraints have impeded housing delivery. However, Mombasa has experimented with community-based upgrading approaches that demonstrate potential for scaled implementation with appropriate governance support (Riechi *et al.*, 2018). Kisumu faces challenges related to economic constraints, weak institutional frameworks, and limited

private sector engagement. As a secondary city with lower economic activity than Nairobi or Mombasa, Kisumu struggles to attract private investment in housing development. Municipal capacity constraints and inadequate infrastructure further limit housing delivery potential. However, the city's smaller scale may offer opportunities for piloting integrated governance approaches that could inform broader policy reforms (Otieno, 2018).

Smaller urban centers including Eldoret and Nakuru face rapid urbanization pressures with limited planning capacity and inadequate infrastructure. These cities have received less policy attention and investment than major metropolitan areas, yet face similar governance challenges including institutional fragmentation, regulatory barriers, and financing constraints. Some smaller cities have experimented with public-private partnerships and innovative financing mechanisms that offer lessons for broader application (Bruggema, 2009). Common patterns across urban centers include: institutional fragmentation and weak coordination; inadequate regulatory frameworks and complex approval processes; limited financing mechanisms for both public investment and household access; land governance failures including high costs and insecure tenure; and capacity constraints at local government level. These common challenges suggest that systemic governance reforms are required rather than city-specific interventions (Ngayu, 2011).

Table 3: Comparative Governance Challenges and Innovations Across Kenyan Cities

Governance Dimension	Nairobi	Mombasa	Kisumu	Secondary Cities
Institutional Capacity	Moderate; fragmented across multiple agencies	Limited; constrained municipal capacity	Weak; limited technical expertise	Very limited; capacity gaps across functions
Coordination Mechanisms	Weak; multiple agencies with overlapping mandates	Limited; gaps between national and local levels	Minimal; informal coordination only	Largely absent; ad hoc arrangements
Regulatory Framework	Complex; multiple approval layers	Complicated by land tenure issues	Outdated; limited enforcement	Basic; inadequate for urbanization pressures
Financing Mechanisms	Limited public investment; some private sector activity	Constrained; limited financial sector engagement	Minimal; economic constraints limit options	Very limited; dependent on national transfers
Land Governance	High costs; tenure complexity; speculation	Coastal tenure issues; contested claims	Limited serviced land availability	Inadequate land banking; weak planning
Stakeholder Engagement	Multiple actors; weak coordination	Limited civil society engagement	Minimal private sector participation	Nascent; limited organizational capacity
Innovative Approaches	Community-led upgrading; PPP pilots	Community-based initiatives	Incremental upgrading schemes	PPP experiments; municipal housing schemes
Key Success Factors	Scale of initiatives; donor support; community mobilization	Community participation; external partnerships	Integrated planning approaches	Local leadership; simplified processes

6. CONCLUSION

This analysis of urban governance and affordable housing delivery in Kenya reveals fundamental challenges that constrain policy implementation and perpetuate housing deficits despite ambitious policy frameworks including the Big Four Agenda. The persistent gap between policy objectives and outcomes reflects systemic governance failures spanning institutional fragmentation, inadequate regulatory frameworks, limited financing mechanisms, and weak stakeholder coordination. With an annual housing deficit exceeding 200,000 units and approximately 60% of urban populations residing in informal settlements, Kenya faces an urgent imperative to strengthen governance mechanisms and enhance implementation capacity. The institutional landscape for housing governance is characterized by multiple actors operating across national and county levels with overlapping mandates and limited coordination. Devolution of housing functions to county governments has created new opportunities for local responsiveness but also introduced coordination challenges and exposed capacity constraints at county level. Effective housing delivery requires strengthened vertical integration between national policy frameworks and county implementation, horizontal coordination among agencies at each level, and enhanced institutional capacity through sustained investment in technical expertise and organizational systems. Regulatory frameworks present significant barriers to housing production, particularly for affordable segments where thin profit margins make projects sensitive to cost and time overruns. Complex approval processes, outdated building codes, and inadequate enforcement mechanisms constrain both public and private sector housing delivery. Regulatory reform must balance legitimate concerns for safety, quality, and environmental sustainability with the imperative to reduce unnecessary barriers and enable innovative approaches that expand affordability.

Financial constraints limit both public sector investment capacity and household access to housing finance. Public budget allocations for housing remain inadequate and inconsistent, while mechanisms to leverage private capital through innovative financing instruments remain underdeveloped. Expanding housing finance requires both supply-side interventions to strengthen financial sector capacity and demand-side measures to enhance household affordability through subsidies, guarantees, and innovative products tailored to low and middle-income markets. Land governance failures significantly constrain housing delivery through high costs, insecure tenure, and limited availability of serviced land. Addressing these constraints requires comprehensive land policy reforms including strengthened property rights, expanded public land banking, improved land use planning, and effective enforcement of regulations to prevent speculation and ensure efficient land utilization. In informal settlements,

tenure regularization and upgrading initiatives must be scaled substantially to address the needs of millions of residents currently living in inadequate conditions. Stakeholder coordination emerges as a critical governance challenge requiring institutional mechanisms to integrate diverse actors including national and county governments, private developers, financial institutions, civil society organizations, and community groups. Successful housing delivery depends on aligning incentives, clarifying roles and responsibilities, establishing coordination platforms, and ensuring sustained engagement across implementation cycles. Community participation frameworks must be strengthened to ensure that housing interventions respond to local needs and leverage community resources and knowledge. The Big Four Agenda's housing targets represent an ambitious scaling up of production that requires fundamental governance reforms rather than incremental adjustments to existing systems. Achieving 500,000 affordable housing units necessitates: streamlined institutional arrangements with clear mandates and accountability; modernized regulatory frameworks that enable rather than constrain production; innovative financing mechanisms that mobilize both public and private capital; comprehensive land governance reforms; and strengthened coordination platforms that integrate multiple stakeholders.

Policy recommendations emerging from this analysis emphasize the need for integrated governance approaches that address institutional, regulatory, financial, and coordination dimensions simultaneously. Piecemeal reforms addressing individual constraints have proven insufficient; systemic transformation of governance arrangements is required to achieve sustainable housing delivery at scale. This transformation must be guided by evidence-based policy making, sustained political commitment, adequate resource allocation, and inclusive stakeholder engagement that ensures housing interventions serve the needs of low and middle-income populations who constitute the majority of Kenya's urban residents. Future research should examine implementation experiences under the Big Four Agenda framework, evaluate the effectiveness of specific governance innovations including public-private partnerships and community-led approaches, and analyze the impacts of devolution on housing delivery outcomes across different county contexts. Comparative analysis with other African countries facing similar urbanization and housing challenges could identify transferable lessons and best practices. Additionally, research on innovative financing mechanisms, regulatory reforms, and land governance approaches would inform evidence-based policy development and support Kenya's efforts to achieve sustainable and equitable urban development.

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