Understanding Community-led Finance for Housing and Slum Upgrading

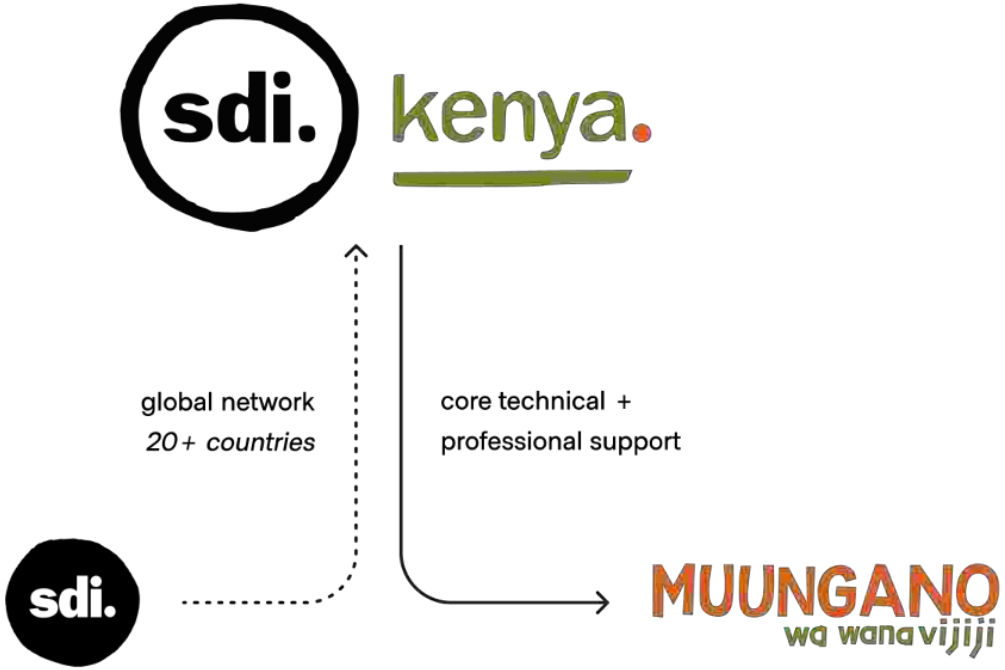
Opportunities and Limitations- SDI Presentation through SDI Kenya

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African Union

Date

- **SDI is a global network of slum dwellers driving a collective, bottom-up change agenda for inclusive and resilient cities.**



sdi. kenya.

Making slums visible



8 MILLION REACH IN KENYA

418 SETTLEMENTS

28,940+ FEDERATION MEMBERS

1213 + SAVING GROUPS

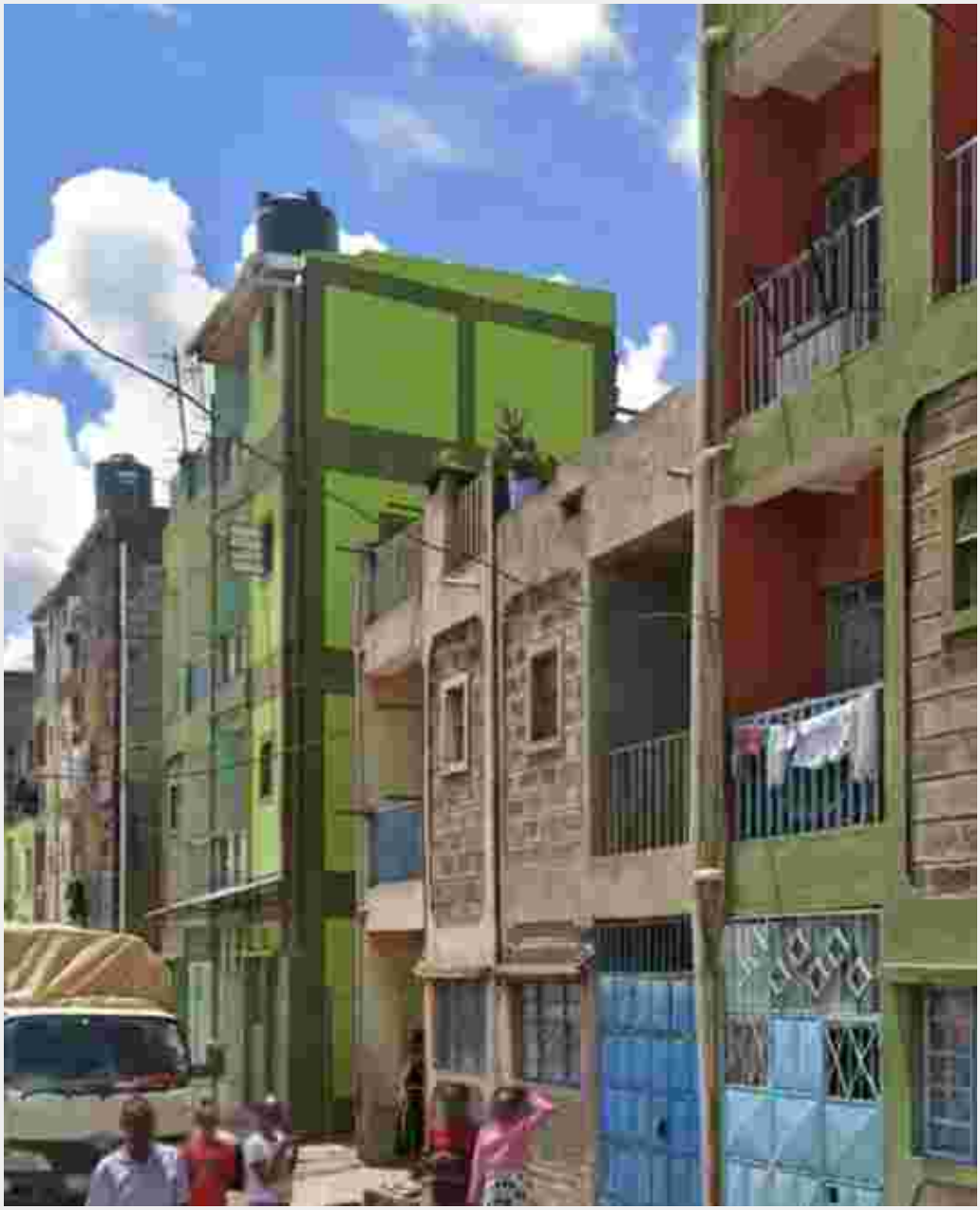


Community Led Housing Finance?

- Locally managed saving & revolving funds, community trusts, citywide pro-poor funds.
- More than micro-credit: pooled, collective capital for land, housing, infrastructure.







Transformations!

Informality &Formality nexus

WHY IT MATTERS

Inclusive and trust-based — low contributions enable wide participation.

Responds to real community priorities.

Builds ownership and resilience.





Innovation and resilience Housing

Why it Matters-Leverage &Flexibility



Leverages small savings to unlock grants and subsidies.



Enables incremental and flexible housing improvements.



Strengthens negotiation power with government.



OPPORTUNITY TO CO-INVEST WITH SMALL AND MEDIUM HOUSING PROVIDERS

HOW IT WORKS — FINANCING ARCHITECTURE



Community savings → City fund → Subsidy for initial training/loan → Upgrading project



Collective funds provide guarantees and credibility for larger investments.

CASE STUDY: MUUNGANO WA WANAVIJIJI (KENYA)





LAND BUYING AND GREENFIELDS HOUSING- SOME EXAMPLES

- In 2010- Toi Market- 3000 members saved and got a loan to purchase 80 acres of land
- 2016- Ghetto- 550 members purchased 40 acres
- 2023- Muungano coordination saved to purchase 6 acres of land within Nairobi metropolitan
- In 2007, the leaders of Sisal Saving Scheme approached AMT and asked for assistance to purchase a 23-acre plot of land in Mukuru, at a price of KSh 81 million (US$ 777,600)
- 2025- A youth group in Mathare recently (September) bought a shack house to put a resilience center for the community
- Nakuru West Muungano Network- working with Akiba Mashinani Trust and Muungano has over 700 members and has constructed houses to over 350 beneficiaries

CASE STUDY: UGANDA URBAN POOR FUND



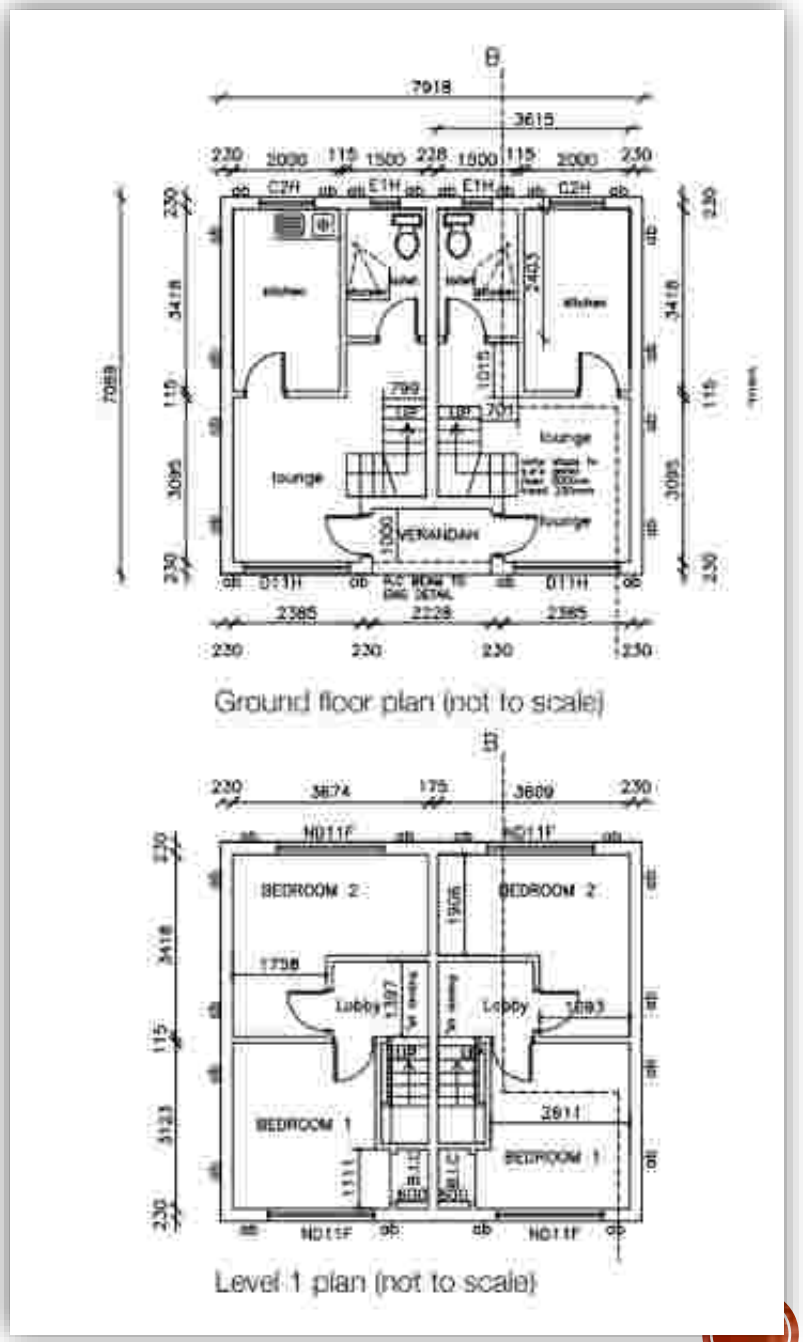


- Group loans for collective projects, not just individuals.
- Enabled citywide upgrading initiatives.
- Lesson: purpose-targeted group lending supports public goods.

CASE STUDY: DZIVARESEKWA, HARARE



- Combined community contributions with external funding.
- Enabled visible upgrading and services.



STRENGTHS OF COMMUNITY-LED FINANCE

Demand-driven and inclusive.

Flexible and incremental financing.

Builds social cohesion and political agency.

THE SUBSIDY VS NON-SUBSIDY INVESTIBLE MODEL



Subsidy Model	Non-Subsidy Investible Model
Grants for building houses	Revolving housing fund or micro-mortgage scheme
Project ends when funding stops	Repayments recycle to support new households
External donor-driven	Community- and investor-driven
Short-term impact	Sustainable and scalable impact



POLICY ASKS FOR AU & MEMBER STATES

- Create/scale city & national pro-poor matching funds.
- Adapt land and building standards for incremental solutions.
- Invest in fiduciary capacity and technical support.

CLOSING THOUGHTS

"Community-led finance is not a silver bullet, but a scalable, equitable route to affordable, people-led upgrading when matched with the right policies."

Ahsante

Joseph Kimani | SDI Kenya