

**EVALUATION OF PUBLIC PRIVATE PARTNERSHIP FRAMEWORK IN SERVICE
DELIVERY, CITY OF NAIROBI**

BY

Mbagaya Abigael

BA, Land Economics (Hons)

Member, Institution of Surveyors of Kenya, Registered Valuer

A Research Project Submitted in Partial Fulfillment of the Degree of Masters of Urban
Management in the University Of Nairobi

2009

DECLARATION

CANDIDATE

I hereby declare that this research project is my original work and has not been presented for a degree in any other University.

Signed:

Date:

MBAGAYA ABIGAEL

SUPERVISORS

This project has been submitted for examination with my approval as the University Supervisors.

Signed:

Date:

DR. ROBERT W. RUKWARO

Signed:

Date:

DR TOM J. C. ANYAMBA

ACKNOWLEDGEMENTS

I wish to extend my gratitude to my lecturers and professors at the School of the Built Environment and more so to my Supervisors, Dr. R. W. Rukwaro and Dr. T. J. C. Anyamba without whom this work would not have been successfully completed. To my professors, thank you for opening my mind to appreciate the urban environment. Special thanks go to Festo for his resident tutorial-ship on Public Private Partnerships in Nairobi. To Louis for understanding my late nights and early mornings. To Sharon for the encouragement. To all the others for their fortitude in collecting field data. Last but not least, to my brothers and sisters for edging me on. To all of you, I say thank you very much.
God Bless you all.

DEDICATION

This paper is dedicated to my father, **Mr. Gideon A. Mbagaya** and my Late Mother, **Mrs. Regina N. Mbagaya**, for giving me the inspiration to do great things in life.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
LIST OF FIGURES	vii
LIST OF TABLES	vii
LIST OF MAPS	vii
LIST OF PHOTOGRAPHS.....	vii
LIST OF ACCRONYMS AND ABBREVIATIONS	viii
ABSTRACT.....	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	5
1.3 Objectives of the Study.....	8
1.4 Justification of Study	8
1.5 Scope of Study	9
1.6 Study Area	9
1.7 Study Assumptions	10
1.8 Definition of Terms	10
1.9 Limitations of Study	12
1.10 Organization of the Study	12
CHAPTER TWO	14
LITERATURE REVIEW	14
2.1 Concept of Public Private Partnerships	14
2.2 Partnership Arrangements.....	19
2.3 Actors in Public Private Partnership Arrangements	22
2.3.1 The Central Government	22
2.3.2 Local Authorities	22
2.3.3 Civil Society	23
2.3.4 Private Sector.....	24
2.3.5 Households.....	25
2.3.6 Politicians.....	25
2.3.7 External Support Agencies	26
2.4 Experiences of Public Private Partnerships	27
2.4.1 Experiences in the Developed World	27
2.4.2 Experiences in Developing Countries.....	31
2.5 Partnership Institutions in Nairobi -Kenya	37
2.6 Policy Framework and Implications	40
2.7 Institutional and Management Systems	46
2.8 Critique of Existing Framework for Partnership Institutions in Urban Service Delivery	49
2.9 Conceptual Framework.....	51
CHAPTER THREE.....	57

METHODOLOGY	57
3.1 Introduction.....	57
3.2 Research Methodology	57
3.2.1 Research Design	57
3.2.2 Population and Sampling.....	58
3.2.3 Data Sources	59
3.2.4 Data Collection Techniques.....	60
3.2.5 Data Analysis and Presentation	61
CHAPTER FOUR.....	62
THE STUDY AREA	62
4.1 Introduction.....	62
4.2 Background of Study Area	62
4.3 Demographic and Social Economic Context of the City of Nairobi	65
4.4 Historical Development of Local Government in Kenya	69
4.5 The Colonial Legacy.....	74
CHAPTER FIVE	76
SERVICE DELIVERY IN THE CITY OF NAIROBI	76
5.1 Introduction.....	76
5.2 The City Council of Nairobi	76
5.3 Other Partners in Urban Service Delivery in the City Centre.....	80
5.3.1 Various Individual Business Groups and Companies.....	80
5.3.2 Private Business Enterprises.....	81
5.3.3 The Kenya Police.....	81
5.3.4 Donor Agencies	82
5.3.5 Non Governmental Organizations	82
5.3.6 National Environmental Management Authority	83
5.3.7 The Public	83
5.4 Challenges to Urban Service Delivery in the City of Nairobi	83
CHAPTER SIX	90
DATA ANALYSIS.....	90
6.1 Introduction.....	90
6.2 Provision of Public Toilets: Nairobi Central Business District Association	90
6.2.1 Achievements of the Partnership	95
6.2.2 Challenges of the Partnership	96
6.3 Provision of Street Lighting: Adopt- A- Light	97
6.3.1 Achievements of the Partnership.....	102
6.3.2 Challenges of the Partnership	103
6.4 Street and Open Spaces Beautification Programs.....	103
6.5 Other Findings from the Study	107
6.6 Synthesis of Findings.....	113
CHAPTER SEVEN.....	117
CONCLUSION AND RECOMMENDATIONS.....	117
7.1 Conclusion	117
7.2 Recommendations.....	118
7.3 Further Areas of Research	122

CITED REFERENCES	123
APPENDIX A	130
APPENDIX B	139
APPENDIX C	145
APPENDIX D	151

LIST OF FIGURES

Figure 2.1	Existing Institutional Framework for Urban Service Delivery	47
Figure 6.1	Utilization of Services Offered by NCBDA.....	95
Figure 6.2	Quality of Services provided by the Council.....	107
Figure 6.3	Quality of Services Provided by NCC (Public Toilets, Street Lighting and Street Beautification).....	108
Figure 6.4	Residents who had heard of PPPs (NCBDA Adopt-a- Light & Street Beautification).....	109
Figure 6.5	Quality of Services provided by PPPs.....	110
Figure 6.6	Residents who are members of Partnerships or Neighborhood Association.....	111
Figure 6.7	Residents Preference for Partnerships.....	112
Figure 6.8	Sectors Best Placed to Provide Services.....	113
Figure 7.1	Proposed Institutional Framework.....	120

LIST OF TABLES

Table 4.1	Nairobi’s Area and Population 1926 to 2005	68
Table 4.2	Summary of Historical development of local government in Kenya.....	70

LIST OF MAPS

Map 4.1	Location of Nairobi in the country context.....	63
Map 4.2	The City of Nairobi Today.....	66
Map 4.3	The Central Business District of Nairobi city.....	67

LIST OF PHOTOGRAPHS

Plate 6.1	A Public Toilet Rehabilitated through NCC/NCBDA Partnership.....	93
Plate 6.2	Side View of the Rehabilitated Public Toilet.....	94
Plate 6.3	The Old Type Street Lighting Pole in the CBD.....	98
Plate 6.4	A Typical New Type Street Lighting Pole with Advertisement.....	100
Plate 6.5	Street Lighting Poles with Advertisements on Busy Street.....	101
Plate 6.6	A Rehabilitated Open Space in the CBD.....	104
Plate 6.7	A Rehabilitated Open Space in the CBD.....	105
Plate 6.8	A Roundabout under Rehabilitation by a Contractor.....	106

LIST OF ACCRONYMS AND ABBREVIATIONS

BOO	Build Own Operate
BOT	Build Operate Transfer
CBD	Central Business District
CBO	Community Based Organization
NCC	City Council of Nairobi
DFID	Department for International Development
GTZ	German Development Corporation Agency
LA	Local Authority
LASDAP	Local Authority Service Delivery Action Program
LATF	Local Authority Transfer Fund
LGA	Local Government Act
MBO	Management Buyout
MOU	Memorandum of Understanding
NCBDA	Nairobi Central Business District Association
NEMA	National Environmental Management Agency
NGO	Non Governmental Organizations
NPEP	National Poverty Eradication Program
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Programs
SBP	Single Business Permit
UN	United Nations
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
USA	United States of America

ABSTRACT

The City Council of Nairobi, which is responsible for the provision of urban services to the ever growing population, has not been able to keep up with service delivery levels to satisfy the demand. As a result, the urban environment in the city and its environs has continued to deteriorate with poorly maintained public toilets, inadequate street lighting and poorly landscaped urban spaces (streets and outdoor spaces). It is in this light that alternative innovative and efficient means, for urban service delivery away from the traditional ways are explored and tested; e.g. Public Private Partnerships.

The main objective of the study was to evaluate the role of Public Private Partnerships in the provision of sustainable urban services, where the provision of core civic functions and service delivery, by the traditional providers, the City Council of Nairobi (NCC) have not kept pace with urban growth.

This study has been based on a combination of theoretical frameworks as not one theory was found to clearly explain the relationship between Public Private Partnerships and the City Council of Nairobi. These are the Urban Regime Theory, the Classic Economic Theory and the Concept of Organizational Change. However, the study has mostly relied on the Urban Regime Theory to explain the involvement of PPPs in urban Service Delivery

Assumptions of this study are that: Urban service delivery will continue to decline unless the concept of Public Private Partnership is entrenched in the local government system. Lack of a clear institutional framework is responsible for the inadequate involvement of partnership institutions in urban service delivery. The policy and institutional framework in Kenya has room for modification to accommodate partnerships on a large scale in efficient and sustainable urban service delivery.

The data collected was derived from both primary and secondary sources. Secondary data was obtained from extensive article review of literature on partnership institutions both locally and internationally. Primary data was obtained through the use of institutional questionnaires and checklists to elicit the views on service delivery in the city of Nairobi, the role of PPPs in provision of selected urban service delivery, namely public toilets, street lighting and open spaces and street beautification. Separate questionnaires were also administered to fifty commercial enterprises and to fifty pedestrians within the CBD. Further, the study extensively reviewed the structure of the City Council of Nairobi. Observations of the physical facilities under study in the Central Business District were made captured in the form of photographs. Of interest was Nairobi Central Business District Association (NCBDA) that partnered with the Council in the provision of public toilets, Adopt -a- light in the provision of street lighting and the various partners in street beautification. The data collected was analyzed using descriptive statistics that summarized the findings from the study in the form of tables, and graphs or charts.

Findings from the study highlight that the single institutional approach to service delivery is not sufficient for the provision of adequate urban services and now calls for a new institutional framework to supplement local authority efforts in the provision of quality public services that

are affordable and sustainable over time. Other findings from the study have shown that where PPPs were involved in the provision of urban services albeit on a small scale, the quality of service improved. The study also proposes an alternative Institutional Framework to the one currently in existence for the broad involvement of the PPPs in urban service delivery. In addition, it proposes the formulation of a legislative framework that will regulate the activities of PPPs in Nairobi and Kenya as a whole.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The world's urban areas are now home to nearly half of the world's population. As more and more people make cities their homes, cities will be arenas in which some of the world's biggest social, economic, environmental and political challenges will be addressed and where solutions will be found. As globalization proceeds, more and more cities will find themselves managing problems and opportunities that used to be the exclusive domain of National Governments (UN-Habitat, 2002).

Urban agglomeration is on the rise worldwide and even more so in Sub-Saharan Africa. Over 50 percent of Sub-Saharan Africa population will be urban dwellers by the year 2020 (UNCHS, 1998). Urban population has increased from less than 30 percent of the total in 1950 to more than 47 percent in the year 2000. Projections show that more than 47 percent and 57 percent of the population will be living in cities in the year 2006 and 2020, respectively (UNCHS-Habitat, 1999; Kasuku, 2001).

The rapid urbanization in Eastern Africa has not been accompanied by a rise in economic development (UN Habitat 1999). The urban concentrations found in East Africa are growing, with projected figures indicating that 50 percent of the threshold population will live in urban areas by the year 2010. The overall picture of local authorities in the East African region

projects a systematic crisis of municipal systems failing to meet the demands of rapid urban population growth within a context of poverty and marginalization (UN-Habitat, 2002).

Kenya has experienced rapid urbanization since independence. During the two periods of 1965-1989-1999, the growth of urban population has increased from 8 percent in the 1980's to over 34 percent in 2003, and is projected to reach over 50 percent by 2020 (Kasuku, 2003). Nairobi, Mombasa and Kisumu accommodate 53 percent of the national urban population. Yet in 1979, there were only two cities in Kenya with population of over 100,000. By 1993, the number of such urban centers had increased to seven (UN-Habitat, 2002). However the high rates of urbanization have not been met with commensurate urban service delivery.

The process of urban growth in Kenya has come to be associated with, unemployment, poverty, low levels of life expectancy, poor nutritional status and low levels of education. Low income households, which constitute 70 percent of the urban households have no access to clean running water, adequate shelter and other municipal amenities such as roads, garbage collection, and health and are therefore exposed to all kinds of diseases (UN-Habitat, 2002).

The situation has persisted due to the failures and inadequacies of the local authorities. Local authorities in developing countries, except in very few cases are weak institutions. Most of them started off as colonial institutions, that were never formally transformed to cater for the growth of African populations upon independence.

In Kenya, the local authorities are under the Ministry of Local Government and therefore have built in structural limitations virtually rendering them neither local nor government, (UN – Habitat 2002) with little economic, political and ideological power and limited in their autonomy, authority, legitimacy and management capacity.

According to Channa and Mbogua (1996) most local authorities have been unable to deliver adequate and efficient public services due to: -

- i. Poor revenue collection and expenditure control.
- ii. Poor financial management skills
- iii. Narrow revenue base
- iv. Constant financial deficits
- v. Ineffective professional staff that lack the capacity to design and implement policies, which generate an enabling environment for sustainable development.
- vi. Excessive Central Government control
- vii. Corruption and rent seeking behavior
- viii. Bloated work force
- ix. Absence of a critical mass of core economic agents to address such systemic constraints.

The above factors have progressively eroded the capacity of local authorities to provide urban services effectively. More often than not, local authorities lack the fiscal independence to cope with the scale of demand pressures they are faced with and are forced to rely on the central government for their survival.

However, despite urban growth, cities are not necessarily thriving. It is imperative that cities be managed efficiently as they are engines of economic growth and currently generate more than half of the national economic activities worldwide. Cities and towns in Kenya generate 47 percent of the Gross Domestic Product. The impact of the poor service delivery in the cities has led to rising poverty levels within urban areas. The poverty incidence rose by 92 percent between 1994 and the year 2000. Other effects of poor service delivery has been rising insecurity, low attraction for investment, environmental degradation due to unmanageable waste among others (UN- Habitat, 2000)

As a result of the failure of local governments in service provision, different forms of partnerships and communities have found themselves providing some of these services. These agencies apart from improving and maintaining the social and the physical environment of the city are also providing a major source of livelihood through job creation.

The challenges facing government agencies, especially local authorities is the re-orientation of policies and strategies of municipal management in order to improve social equity, social integration and stability (UN- Habitat, 2002).The challenges are:-

- i. How to restructure their functional operations and responsibilities to accommodate the emerging but significant role of other stakeholders, namely, non-governmental organizations, private and public agencies, local communities and their community based organizations, donor agencies etc in the provision of services within their areas of jurisdiction.

- ii. How to facilitate and encourage and share responsibilities in service provision

Local authorities need to tackle the above problems and at the same time take advantage of all the positive aspects that cities have to offer (UN-Habitat, 2000). The single institutional approach for service delivery in urban areas, through local authorities is not sufficient in the current circumstances of rapid urbanization. This now calls for innovative ways to provide efficient and sustainable urban services.

1.2 Statement of the Problem

Local authorities are vested with the task of making Kenya's urban areas achieve their full potential through the provision of urban services. The urban centers are supposed to play an important role in creating national wealth, enhancing the quality of life and enabling the urban and regional population access economic, social and environmental opportunities. A role that the local authorities have not carried out to expectations.

This can be attributed to several factors including political establishment of additional local authorities, lack of clear strategies for resource mobilization, deficient financial management inordinately close relationship with the provincial administration and excessive and interventionist powers from central government .

The City Council of Nairobi (NCC) is not exempt from the above factors. NCC has been unable to provide adequate levels of essential urban services for its residents. The Sector

Review on Capacity Building for Metropolitan Governance of Nairobi of 1996 identified some of the major problems of the city being improper and outdated city management strategies, inadequate and mismanaged infrastructure and deplorable sanitation levels in the city among others. According to the Water and Sanitation Program for Africa Report published in 2004, Nairobi had 138 public toilets of which 18 were in the Central Business District (CBD). The toilets were in poor condition, dilapidated and vandalized. The roofing materials and floors were damaged, the water and electrical systems were often broken, fittings were broken or missing and the water supply and water storage was absent. Other factors that discouraged the use of these facilities include; Insecurity such as mugging and molestation from street boys, inadequate lighting making them difficult to use and unsafe, poor accessibility, lack of privacy as doors were broken or missing and they were dirty and unhygienic (Water and Sanitation, 2004, the Nairobist).

Street lighting poles were available in most parts of the CBD but they seldom worked thus increasing insecurity in the city that earned it a nickname, 'Nairobbery'. The United Nations International Civil Service Commission in 2001 rated Nairobi among the most insecure cities in the world. Street and open space beautification was not a priority in the services being provided by the Council at that time. Most of the spaces were bare or unkempt and without character and Nairobi had lost its image as the "Green City in the Sun"

Other problems that plague the NCC in its quest to provide urban services include understaffing of key professional personnel in the relevant departments, poor revenue collection, inefficient accounting and audit systems, prevalence of corruption, inadequate

housing, education, health and social services, lack of coordinated urban planning, land utilization and total disregard of building standards and building codes. Obstructive relationship and obsolete legal framework between Ministry of Local Government and the City Council of Nairobi and limited and unplanned private sector and partnership participation has also contributed to some of the problems experienced by the City Council of Nairobi. In addition to the above, the City Council of Nairobi is indebted to the tune of Ksh.31 billion, according to its budget estimates as at 30th June 2009. Under the circumstances, it is virtually impossible for the Council to incur their recurrent expenditure and at the same time invest in service delivery. (Adopted from Mazingira Institute, 1994)

The resultant under investment in service provision and delivery has led to a pathetic state of affairs in the city of Nairobi, with the existing services deteriorating to unimaginable levels. The Council has been unable to keep up with the demands and to address the new emerging issues. The capacity of the Council to provide services is severely constrained and alternative service providers have to be sought. In a city such as Nairobi, where 56 percent of the population is poor and with a growth rate of 7 to 8 percent UN-HABITAT 2002), it will be disastrous to still expect the NCC to continue to provide these services effectively.

It is against this background that city leaders have the complex task of finding innovative ways of providing the prerequisite urban services for all residents of the city in an attempt to generate a good quality of life in the cities. It is against this back ground that PPPs emerge to try and fill the gap in urban service provision that has been left unmet by the Council.

This study explores the potential for partnership institutions in the planning, provision and management of urban services in the Central Business District of the City of Nairobi. PPPs maybe best placed to provide urban services as they provide a new mode of service provision. PPS provide an opportunity where the comparative advantages of the public sector and the private sector put together, enable the actors to gain from the skills and resources of each other.

1.3 Objectives of the Study

The primary objective of this study is to evaluate the role of partnership institutions in the provision of sustainable and efficient urban services. The specific objectives are: -

- i. To examine the existing urban service delivery framework for the city of Nairobi.
- ii. To evaluate the performance of the Public Private Partnership for the City of Nairobi in the provision of public toilets, street lighting and street and open spaces beautification
- iii. To recommend an appropriate and enabling institutional framework for successful partnership engagement.

1.4 Justification of Study

Nairobi City Council is increasingly finding it difficult to provide adequate and efficient urban services. This has led to the entry of other players attempting to provide these services.

These actors include among others PPP's in various forms. PPP's in urban service delivery in Nairobi and Kenya as a whole are a relatively a new phenomenon. The current state of knowledge on the performance of PPP's in urban service delivery in the country and the city of Nairobi is scant and warrants further investigation and it is against this background that this study was undertaken.

1.5 Scope of Study

There are many partnership associations operating in the city of Nairobi. This include those with licenses to collect and disperse garbage, adopting roundabouts for beautification, partnerships that are beautifying walkways, streets and pavements, street lighting and many others. The main interest of the study is to evaluate the Public Private Partnership framework between the City Council of Nairobi and other partners in the provision of urban services. The scope of the study is limited to the provision of public toilets, street lighting and street and open space beautification within the Central Business District (CBD).

1.6 Study Area

The study was carried out in the Central Business District of the City of Nairobi to the extent of Uhuru Highway to the West, Nairobi River to the East, University Way to the North and the Railway Station to the South as shown on Map 4.3 on page

1.7 Study Assumptions

- i. Local authorities are unable to provide sustainable and efficient urban services and there is need to explore new and innovative ways of service delivery.
- ii. Urban service delivery will continue to decline unless the concept of Public Private Partnership is entrenched in the local government system.
- iii. The policy and institutional framework in Kenya has room for modification to accommodate partnerships on a large scale in efficient and sustainable urban service delivery.
- iv. Lack of a clear institutional framework is responsible for the inadequate involvement of partnership institutions in urban service delivery.

1.8 Definition of Terms

For the purposes of this study, the following will apply.

Local Democracy in this report refers to a viable political and development process that allows for cross-fertilization of ideas, resources and decisions for good governance. Evidence of local democracy includes the presence of an active civil society, enabling legislation, a fair local electoral system, free access' to information and an administrative structure that facilitates this process (UN-Habitat 2002).

Sustainable cities are those cities that are livable, competitive, and bankable and exhibit good governance and management.

Livability will entail: -

- i. Decent quality of life for all, including basic living for the poor.
- ii. Low poverty and inequality.
- iii. Healthful environment (clean air and water, safe waste disposal)
- iv. Safety and security (including low levels of crime, violence, and natural disasters)
- v. Full integration of all groups in urban society, including women and minorities.
- vi. Preservation of cultural heritage of urban areas, for enjoyment by all residents.

Competitiveness will entail: -

Growth and increased productivity of output, broad-based employment, investment, and trade in response to market opportunities

Good governance and management will entail: -

- i. Accountability, transparency, and integrity of local government.
- ii. Local government institutions sensitive to the needs of poor and disadvantaged residents and to gender differences in services requirements.
- iii. Cost -effective fulfillment of local government service obligations.

Bankability will entail: -

- i. Sound financial management permitting fulfillment of service obligations.
- ii. Creditworthy local governments able to access market -based credit.

Third Sector in this study refers to the Civil Society. This will comprise of Non-Governmental Organizations (NGOs) and the Community Based Organizations (CBOs)

1.9 Limitations of Study

The limitations in carrying out this study are that; PPP in Kenya are fairly a recent phenomenon and appropriate literature on Kenya PPP is scant. In addition, the constraint of time to and lack of adequate financial resources did not enable the researcher to look at partnership arrangements in the provision of other urban services not covered in this study. However; great effort has been made to ensure that quality research work is done in the circumstances.

1.10 Organization of the Study

The study seeks to evaluate the PPP framework for urban service delivery in the city of Nairobi, with emphasis on the provision of public toilets, street lighting and street and open space beautification. The study is organized into seven chapters:

Chapter one provides an introduction to the topic of study. It states the problem and the objectives of the study. Chapter two covers the literature review on partnership institutions

and experiences from other parts of the world, and the conceptual framework. Chapter three discusses the methodology, methods of data collection, analysis and presentation. Chapter four discusses the study area, which is the City of Nairobi, growth of the city through the years, the CBD, as well as the development of local government.

Chapter five examines the existing framework for urban service delivery in the City of Nairobi. This includes the NCC as well as other actors and their contribution. Chapter six analyses the data collected in the study with specific reference to NCBDA in the provision of public toilets, Adopt –a- Light in the provision of street lighting and other players in street and open spaces beatification. It consists of the synthesis of the research findings. Chapter seven presents the study conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Public Private Partnerships

Public Private Partnerships are defined as a partnership between a government and the private sector for the purpose of more effectively providing services and infrastructure traditionally provided for by the public Sector (Bnet Business Dictionary, 2009)

At its simplest, partnerships is a mechanism for ensuring that the comparative advantages of different actors in the urban environment are exploited in a mutually supportive way, i.e. that the strengths and weaknesses of the public, private and the community are harmonized so that maximum use is made of the strengths, while minimizing the weaknesses (adopted from UNCHS, 1993).

Partnerships are often proclaimed as arrangements formed by partners of quite equal value and strength. In practice, of course they represent different positions in society and dispose of different sets of resources. Arguably, partnerships are not primarily set up for their own sake but for specified aims. Partnerships bring everybody on board and give everybody a say on how the city is run. They present an opportunity to apply new management and organizational systems in urban service delivery.

The partnership institutions will comprise of all stakeholders in the urban environment. They may include the: -

Public sector which refers to the institutions and responsibilities of government and local (Municipal), regional and national (Central) Levels (UNCHS, 1993).

The private sector refers to firms and individuals active in different aspects but always, organized to generate a profit on the investment of their resources. It may include actors of widely varying size and scale, operating on a very small scale, providing services to a small number of households.

It may include the third sector; which refers to organizations of people which have as their objective, the promotion of the good of their members "Community - based organizations", (CBO's) and to institutions which support organizations Non-Governmental Organizations, (NGO's) CBO's with common neighborhood associations, common interest associations among others.

Rubin *et al* adopts a five point characterization of PPP's as follows

- i. Involve "two or more actors", at least one of which is a public entity.
- ii. Each of the participating actors can bargain on its own behalf.
- iii. The partnership involves a long term "enduring" relationship.
- iv. Each actor must be able to bring either material or symbolic goods to the relationship.
- v. All actors have a shared responsibility for the outcomes.

The dramatic changes in urban governance means that local authorities look for institutional arrangements at the local level , that maximize both their influence and the leverage by which limited funds over resources could be used to maximum advantage.

The Canadian concept for PPP's states that," PPP's are contractual agreements of shared ownership whereby a public agency and a private company pool resources and share risks and rewards to create efficiency in the production and provision of public goods (Canadian Council for PPPs, 2003)

The traditional systems of bureaucratic and top down decision making are now completely inadequate to cope with urban problems. Partnerships, which constitute a new form of governance, are now emerging as enabling tools to make our cities more inclusive, safer, and healthier places to live in.

Given the constraints of the real world, (especially in poorly resourced and rapidly growing cities of developing countries), these comparative advantages can never be combined in ideal fashion, but the goal should still be to integrate these sectors into the most productive partnerships possible according to circumstance (UNCHS, 1993).

Approaches to partnership institutions can take a number of forms including but not limited to:-

- i. Joint ventures in which public and private organizations formally or informally work together to implement urban development activities.
- ii. Joint investments in which the public and private organizations finance facilities and infrastructure or urban development projects.
- iii. Turnkey projects in which completed facilities constructed by the private sector are given to the government to manage or vice-versa.
- iv. Government incentives or subsidies for private investment in urban services or infrastructure.

Partnerships can be an attractive way of decentralizing urban development activities because they provide access to private investment capital, institutional savings, and private sector technical capabilities. In some cases, these partnerships substitute private funding for public financing, thereby relieving the government of the financial burden for providing some urban service and facilities. The potential of the private sector to generate funds far exceeds that of the public sector (Lanier *et al* 1986 in UNCHS, 1993). A similar point could be made about the capacity of the third sector to generate social energy and initiatives amongst the poor themselves (UNCHS, 1993).

Partnerships enable different actors to gain access to the skills and resources of each other. Partnerships are an excellent way of reducing and spreading risks associated with

investments where returns are low and unstable. Partnerships provide a mechanism for maximizing returns on investment by achieving a better balance between the complimentary capacities of different actors - (UNCHS, 1993).

Partnerships provide an excellent (and perhaps the only way) to balance equity with efficiency, given the comparative advantage of the public and third sectors in guaranteeing equity, and the strength and experience of the private and third sectors in achieving efficiency. Partnership is the logical way of putting the two together in the best possible way (UNCHS, 1993). Partnerships are a form of participatory local democracy, which provide fertile ground for innovations in the ways the peoples' demands are articulated and satisfied.

Partnerships require that actors from each sector acknowledge each other's legitimate interests. The role of national governments is being focused to facilitate markets, promote economic and social stability and ensure equity. But reforms of public sector management or private sector development will not do what is desired for national development, until they are adopted and implemented appropriately at the Municipal level. Local governments remain the everyday face of public sector - the level of government, where essential services are delivered to individuals and businesses and where policy meets the people (World Bank, 2000).

2.2 Partnership Arrangements

There are various modes of partnership arrangements in urban service delivery. They include: -

Build Own Operate (BOO): A private partnership between the public and private sectors, whereby a private firm through turnkey contracting may build, own and operate a facility which will be used by the general public. Ownership of the facility remains with the private sector. The private sector will participate in such projects once it is satisfied that the fundamental risks and economic benefits can be satisfactorily managed. They are more attractive and popular for private sector participation, as they do not have to transfer the facility back to the government

Build Operate Transfer (BOT): Similar to BOO above but at the end of the contract period, the ownership of and the right to operate the facility transfers back to the public sector. It provides a means of having private sector finance the facilities, whose ownership will eventually be transferred to the government.

The period of the contract period will usually be calculated by the private firm to ensure that profits from operations cover initial investment cost.

Contracting Out: This is the placing out of a contract by a public agency to an external private company. A government may wish to contract out part of its activities to a company as a means of reducing its size as a matter of policy or as a prelude to privatization.

Concession: A local authority may award a concession to a private firm to set up a facility that utilizes government resources. The concession is in the form of a long-term contractual agreement, whereby the private firm builds the facility. In some cases, the private firm may transfer the ownership of the facility to the government after a specified period of private ownership and operation, or in some cases, the private firm may indefinitely maintain the ownership and operation of the facility.

Franchise: The government awards a finite term zonal monopoly to a private firm to deliver a service. The franchise is made after a competitive qualification process. The franchise is made after a competitive qualification process. The private firm deposits a performance bond with the government and pays a license fee to cover the governments monitoring costs. The private enterprise recovers its costs and profits through direct charges to households and establishments.

Management Contracts: A private organization may agree to take over the responsibility of managing a service to specified standards but using the staff, equipment, vehicles and buildings of the urban authority.

Leasing: A local authority may wish to discontinue operation of an enterprise and lease out its assets to the private sector on the basis of competitive bidding for a specified period of time.

Management Buyout (MBO): Public agencies wishing to become enabling authorities can allow the management of well run functions, usually with the help of private venture capital. The MBO Company formed becomes a private venture, but usually has the benefit of buying a long-term contract from the authority as part of the purchase price. All employees in that sector transfer to the new MBO Company and the parent agency has little or no residual responsibility as an employer.

Cooperatives: These are self-governing voluntary organizations working in partnerships with public authorities. Cooperatives serve the interests of their own members, or members are encouraged to undertake activities for their own interest. Many CBO's will usually engage in urban service delivery as cooperatives or as organized groups.

Privatization: This refers to where the public sector ceases to own any part of a service or utility. The entire service is sold off by the public agency to the private sector.

Affermage: A public authority controls construction of a system but contracts out its operations, maintenance and collection of service charge to a private partner. The public agency owns the fixed assets and finances them although the private company would have to fund replacement costs, depending on the nature of the contract.

2.3 Actors in Public Private Partnership Arrangements

2.3.1 The Central Government

This will include the government as well as other government bodies such as parastatals etc. They will be concerned with the formulation of policy and also to the changes in policy resulting from realignments between central governments. It is also charged with the formulation and review of statutory instruments.

Central government, through various agencies can grant the largest source of such funds and governments have the capacity to fund large scale service delivery programs. Central government should be in charge of each major urban service delivery program and to regulate, not only those of local governments but also of other public institutions involved in these processes.

2.3.2 Local Authorities

Local authorities are the custodians of urban space and play a fundamental role in urban governance and management. Local authorities are responsible for the provision of a wide range of urban services. They are expected to keep themselves to a sustainable approach to urban development through the adoption of the Local Agenda 21.

Local authorities are charged with the responsibility for the provision of all services and their maintenance. They also play a vital role in involving the local urban communities and

encouraging partnerships; and allowing for active participation of all the actors in the decision making process. Without them, it would be "Pious and unpractical hope to believe that local government alone could achieve the demand for urban services" (Fadamula, 2002).

The success of local authorities as the main agents for service delivery depends upon financial resources. Our local authorities are however plagued by inadequate financial resources, narrow and weak revenue base and revenue raising capacities among other constraints. (UN Habitat, 2002). Local authorities in Kenya also have problems of democratic accountability and community involvement. Kenyan Local authorities would have to build capacity to be able to attract donor funding and also the capacity to work with urban communities in the project area (Chana and Mbogua, 1996).

2.3.3 Civil Society

Civil Society is an all encompassing term often used to refer to social structures and interests beyond the household and outside of state institutions, including associations and non-profit organizations, where people combine for their collective interests. It will include social networks or community organizations where people come together to advance their interest. (Center for Community Networking Research, 2009)

Most of these organizations have sprung up to fill a void that has been created by the withdrawal or shrinking scope of services provided by the central and local governments, and also to serve the under privileged who may not afford to access these services in the open market (UNCHS, 1993).

These organizations are often radical critics of the bureaucratic insensitivity and particularly damaging effects on poor communities of poor service delivery. They are capable of leveraging financial resources for community based initiatives for urban services from external resources, outside of the central government and local authorities.

Civil Society has been blamed for sloppy procedures for financial control and lack of accountability (Home, 1982). These organizations will also be vital in the formation of enterprises and trading organizations, owned and controlled by the residents of the area, thus playing a vital role in the creation of employment opportunities for the people of the area.

2.3.4 Private Sector

These will comprise of organizations that are primarily concerned with making a profit or a return on investment. They will include industrial, financial and commercial enterprises with interests in the sector. They also include informal sector business that will include unregistered and unregulated activities carried out by individuals' families and small enterprises (Jua Kali).

It is the desire of governments and local authorities that the private sector contributes to urban service delivery. The private sector will only be attracted to these ventures if profitable opportunities exist for them. Local authorities need to stimulate investment by private sector, firms and individuals so that each may play their full part in the urban process. Pre-conditions for private sector interventions in urban service delivery need to be put in place

particularly the removal of bureaucratic controls, the creation of new financial mechanisms and partnership arrangements between the private and public sectors.

The introduction of tax concessions and exemptions might go a long way in attracting the private sector to invest in urban service delivery.

2.3.5 Households

These are the target population within urban centers and the consumers of urban services. It would be imperative to understand their socio-economic, socio-cultural, political and demographic trends, as this would aid in determining their need and in designing an appropriate service delivery option for them in terms of affordability, method and system of delivery, among other variables

It is important that the households are involved in the planning and decision making process from the onset. This will enable the planners to accommodate their needs more adequately. The households can be incorporated in the management of these services by providing maintenance, security among others. Most of these households may have formed associations through which they can address their needs.

2.3.6 Politicians

These are the elected leaders. They are usually opinion leaders and have the capacity to sway the way of thinking of the people; such that they shift them away from the vital and crucial matter at hand to the less important and trivial issues, mainly for political mileage.

They have the capacity to sabotage the introduction of new and innovative ways of providing services through propaganda rumors and incitement. It is not possible to separate politics from the urban management and service delivery as all activities take place in a political environment. Politicians in this country have been known to interfere when the council tries to increase rents of its properties or when they have tried to disconnect water supply to defaulters. The council has been unable to disconnect water to government offices, which are the largest defaulters. It is important that the support of the politicians is registered and that they are incorporated in the process. They may be in as position to sell the idea of PPP's to the people, eliciting their support and corporation.

2.3.7 External Support Agencies

External Support Agencies will include Multi lateral organizations, Bi-lateral Organizations such as the UN-Habitat .These organizations have the capacity to grant loans or grants running into millions of dollars for urban service delivery projects. They also have the technical expertise on the implementation of such projects. These agencies have been instrumental in the development of urban infrastructure. They have sponsored some of the largest infrastructure and service delivery projects in the city of Nairobi. They include the sewerage works, urban transport programs, water works among others.

2.4 Experiences of Public Private Partnerships

This includes experiences of PPPS in the developed world and experiences in developing countries.

2.4.1 Experiences in the Developed World

Partnerships have played an important role in urban policies for a long time. Partnership Institutions began in the United States of America with the New Deal of 1932, when the federal government first became involved in housing in a variety of regulatory support (Keys 1990; Suchman *et al*, 1990; Huchansk, 1991 Resenberry and Hartmann, 1989; Brooks *et al*, 1984; UNCHS, 1993). By the end of the 1960's the federal Government encouraged private developers to build and manage private housing that was subsidized with public funds, in order to make rents more affordable to the lower income groups.

During President Jimmy Carter's administration, the concept of PPP's, became explicit components of urban policy, which expected private and non- profit sectors to take on equal roles with government in redeveloping cities (Rubin *et al*, 2001). By the 1980's they had gained momentum. American city officials turned to these partnerships as a means of local economic development and urban governance.

Public Private Partnerships came to play a crucial role in the United States of America, which clearly advertised its view of these partnerships as a key component of its urban policy. The

Clinton administration tried to build safeguards into new partnerships by mandating that the local community be fully involved (Riposa in Rubin *et al*, 2001).

Currently, public private partnerships in the United States cover a variety of arrangements, from formal, legal relationships to informal co-operation (Suchman *et al* 1990, in UNCHS, 1993). Today the PPP market covers every aspect of “pure public” to “pure private” having employed a diverse range of techniques and their hybrids in almost every sector of the economy (Karpova, 2003).

Many of these partnerships are project based; i.e. restricted to a particular geographical locality, others are program based, with the aim of changing policy, draw in private sector institutions and increase access to resources beyond the project level. (UNCHS, 1993)

The scope of PPP's transactions is also expanding. It is not unusual to find PPP in long term contracts worth billions of dollars. Public Private Partnerships have played an important role in urban politics for a long time in the developed world. In the United States of America, the rationale for Public Private Partnerships, (PPP's) is basically the same as in other countries. In order to narrow the financing gap needed to develop new improved service delivery and Infrastructure. PPP's are expected to bring cost savings and improved service by introducing competition , achieve greater efficiencies by utilizing private sector expertise and secure the required financial resources by tapping into the private capital (Rubin *et al*, 2001).

PPP's in the USA have for a long time benefited from government support accompanied by a strong legislative and institutional framework. They have also been able to access state funds for the financing of projects. The United States Congress allocates finances every financial year to the financing of PPP's. The federal government is also committed to providing an additional \$2-3 billion per year via State Revolving funds to encourage PPP financing for partnerships to meet U.S. Environment Protection Agency (EPA) standards and requirements (Karpova, 2003).

A strong regulatory framework exists for the operations of PPP's. Recently a new piece of legislation was introduced, the "Water Investment Act of 2002", which authorizes a \$35 billion dollars over 5 year period in state revolving fund programs, encouraging governments to consider PPP or other cooperative partnerships as a desired arrangement for obtaining the federal funds (Karpova, 2003).

Partnerships in the U.S have also enjoyed regulatory and tax exemptions or holidays and other forms of financial incentives so as to stimulate capital investment. PPP's also earn bonuses for exceeding their performance targets. Unlike most emerging economies, PPP's in the United States enjoy the breadth and depth of readily available private finance and well developed capital markets, strong highly skilled private sector firms capable of bearing project risks and effective enabling regulation in place to protect the interests of relevant stakeholders. This creates a sound environment to realize the full potential benefits of PPP's (Karpova, 2003).

The greater opportunities for PPP's in the US and effective enabling environment are driving the creation of better and more transactions. Across the sectors, the performance targets are met and exceeded in a short time, allowing governments to rip full benefits from PPP's. Technically, experienced private sector partners are now more capable of offering better services at lowest cost (Karpova, 2003). Having tested the PPP success in traditional sectors, the USA government realizes the need to further liberalize the regulatory control of PPP and bring them to less customary sectors of the economy. Government departments and a growing number of municipalities have entered into partnership arrangements. Many others are exploring PPP's as an option for service delivery.

As a result, many PPP's have emerged in all sectors of the economy occasioning cost savings to national and local governments of up to 20-25 percent currently. PPP's also operate 150 prisons in the US. They can also be found in transportation, water and sanitation, health among other sectors.

Partnerships in the USA have been fairly successful due to the fact that they have clear objectives and enjoy strong public and government support for the program, responsiveness to the local content, strong and viable leadership from all the partners, strong board of directors to co-ordinate the work, mutual trust and confidence, access to adequate funding and technical expertise, effective staff and flexibility (Suchman, 1989 in UNCHS, 1993).

These factors are balanced by a number of common barriers to success, instability in economic regulatory and incentive environments (e.g. changing land use regulations,

taxation, political leadership, and local politics). The difficulty of coordinating multiple needs goals and actors (conflicting interests and agenda) complex financial arrangements (usually from multiple sources) and minimum participation by the private sector (UNCHS, 1993). Most of the effort for the development of PPP's in the USA is today aimed at improving the design and the implementation of PPP arrangements , strengthening PPP techniques , enhancing legislative support and increasing the scope of PPP utilization in other areas

In Canada for example, they have a comprehensive legal framework that governs the operation of PPP's. A bill has established *The Agence des Partenariats Public-Prive' Du Quebec*. The agency is responsible for advising the government on any PPP. All public bodies are required to utilize the services of the agency for their PPP projects except in cases and subject to the conditions determined by the government. It advises on feasibility, negotiations and contracts, of and for developing and applying promotion strategies to foster PPP's. The bill includes financial provisions specifying, among other things the conditions applicable to the financial commitments the agency and its subsidiaries are authorized to make and contains transitional and consequential amendments necessary for the establishment of the agency (Canadian Council for PPP, 2003).

2.4.2 Experiences in Developing Countries

In the developing world, partnerships have become increasingly important in urban governance. Partnership institutions in the developing world emerged first in the housing sector in an attempt to provide low cost housing for the poor. However, the linkages between

public, private and third sectors have received scant attention or have been treated only in passing (UNCHS, 1993). This may be because in most situations the urban poor have always relied on their own resources to provide for themselves, regardless of the activities of the governments (central and local) and the private sector.

2.4.2.1 South America

Countries such as Columbia, Brazil, Bolivia and Costa-Rica, initial partnerships were in the provision of low cost housing. The partnerships were involved in the provision of land; supply of housing finance, supply of building materials and to provide construction skills.

In Columbia, for example a sophisticated housing finance system has been developed which mixes public and private sector resources and institutions with household savings. The systems have handled around \$1.54 Billion resources and have close to 5 million individual savers (Useche de Brill, 1990 in UNCHS, 1993).

Private institutions are backed by public agencies. The public agencies direct their own resources (often from external finance) to private commercial banks and financial co-operations, which lend to government for public works and shelter development. Public Private Partnerships can also be found in inner city renewal, as was the case of Mexico City which had to be rebuilt after 1985 earthquake which destroyed a considerable proportion of the central tenement district. A creative partnership between residents, state agencies, Local academics, NGO's and external finance was formed for the purpose of reconstruction (UNCHS, 1993).

Partnerships later now began to emerge in the provision of urban services and in employment and income generation. They were involved in the provision of low cost sanitation and garbage collection among others. Partnerships in creation of employment opportunities and income generating activities include one from Brazil, where government and private sector companies provide support for the Union of Assistance to Small Organizations, a Local NGO, which works with low income entrepreneurs and co-operatives (UNCHS, 1993).

2.4.2.2 Africa

Sub Saharan Africa has been faced with increased hardships particularly in the provision of services. This can be traced back to the economic crisis that the continent experienced during the 1980's, which resulted in increased hardships for the regions poor. One of the enduring consequences is the inability of African governments to sustain adequate levels of urban services.

Urban service provision in most African cities, are legacies of their colonial rulers. The Westernized approach to service provision in most of these cities is failing. Alternatives must therefore be explored to identify appropriate options for adequate service provision, thus the emergence of partnership institutions in Africa.

Partnership institutions in Africa are a relatively new phenomenon having gained prominence in the past decade. The first partnership institutions in Africa were also in the housing sector. They were involved in the provision of low cost housing.

In most African Cities, rising demand for services, coupled with the increasing inability of the public sector agencies to satisfy demand, coupled with the UN, WB organizations support for participatory governance, has led to the formation of partnership institutions for the provision of urban services in most of these cities.

Partnership institutions in South Africa are the most developed in the region. In South Africa for example, PPP's have become an integral part of service delivery. The rationale behind their development, like in other African cities is the traditional inefficiencies in public provision of services. Another reason is that although public authorities are responsible for ensuring that basic services are delivered, they need not actually deliver the services themselves. By sharing risk and reward with private operators, enhanced services are possible on a more cost effective basis. Other rationale includes the opportunity for economic pricing and cost recovery, the deepening of private capital markets and major advances in technology (Fadamula, 2002).

The South African constitution, various policies and various pieces of legislation are in line with international developments seeking to respond to the new challenges to National Development. The South African constitution allows for community involvement in decision making. The Draft White paper sets the pattern for partnerships. The 1998 White Paper on Local government explores various service delivery options and allows for partnerships but the involved parties must engage in extensive consultation with the relevant stakeholder. The bill sets conditions and regulations for municipalities to enter into PPP arrangements. Each

Municipality is allowed to govern the affairs of its community on its own initiative. They are also allowed to exercise any power concerning a matter reasonably necessary for or incidental to the effective performance of its functions.

The South African Water Act allows the municipalities to enter into contracts with PPP's for the provision of water and sanitation, after all known public sector water providers, willing and able to perform the relevant have been considered. This is a dis-incentive for the involvement of PPP's

The South African PPP's have legislative backing coupled with strong political will of its leadership in the face of mounting opposition from South African municipal workers has continued to ensure the success of PPP's. The government has adopted a strategic framework to improve service delivery through innovative PPP's, with the main objective being efficient and improved service.

Each PPP is considered independently and in its own right and appropriate guidelines made for its successful implementation irrespective of how complicated the contractual and legal framework is. Necessary adjustments are made to accommodate it. This allows for a wide range of partnership arrangements to be incorporated.

The municipal authority remains accountable and responsible for service delivery even after partnering. Other responsibilities spelt out for the council are:

- i. To apply contract and legislation.

- ii. To approve tariffs.
- iii. To approve quality levels.
- iv. To monitor capital investments and performance targets.
- v. To ensure consistency with the environmental management.

The regulatory role of PPP's is under the Department of Provincial and Local Government. It plays a major role in regulating municipal service partnerships.

The partnerships are also able to access government funds for projects with the private sector meeting the balance of the cost. They have risk sharing as well as profit sharing arrangements that make it more attractive for the private sector to partner in sectors that they would otherwise not have ventured.

Apart from strong political support and leadership, South Africa has tried to be fair and transparent in its calls to partner. It has also tried to create a level playing field, carried out public information campaigns to educate the public as well as putting in place of appropriate privatization laws.

As a result, South Africa has a very vibrant PPP sector involved in massive projects for the provision of municipal services. PPP's can now be found in water and sanitation, environmental management and other sectors. However, lack of a customized legal provision and the institutionalization of PPP's is a hindrance to their further evolvement and development.

Most African countries have been sole providers of urban services through their local authorities, and through top –down approaches. However, most lack the policy and institutional frameworks for the engagement of other players in the provision of these vital services. The increasing costs of urban service delivery, coupled with the Structural Adjustment Programs of the World Bank necessitated the privatization of some of these services. This has then made it necessary for these governments to look into themselves for partners in the provision of these services.

2.5 Partnership Institutions in Nairobi -Kenya

Partnership institutions in the urban environment begun to emerge in Kenya in the past decade due to the failure of the local authorities to provide the much needed services to its urban populace.

Most of these started off as neighborhood associations to address problems they encountered at the local level. They soon found out that they had capacities to solve some of the problems that bedeviled them. Their works and achievements were now visible. They were also able to mobilize resources to address their need. As they continued to grow, they developed in stature and were now more visible as a result of their works and achievements. They could not be ignored any more. They now began to agitate for recognition. Some developed further into formal institutions that could now engage the NCC and other institutions for recognition and collaborating and augment the Council efforts in urban service delivery. There has never been until recently a strong tradition of citizen participation in local governance in Kenya.

The Local Government Act Cap (265) makes no reference to citizen participation. The law only guarantees political participation through civic elections of Councilors. Once elected, the Councilors take charge of the local authorities making decisions behind closed doors. Local authorities have been seriously undermined in Kenya. They lack the necessary power and resources for efficient service provision.

The Local Government Act Cap 265 has 186 clauses that give power to the Minister over the local authority (ALGAK, 2002). The Minister can abolish or create Councils at his own discretion. The Minister and the Provincial Administration, wield enormous power over the people's representatives at the local authority, thus hindering or interfering with their performance.

Partnerships between the Council and other stakeholders are a recent phenomenon. Local authorities are now forming partnerships by exploiting section 143 of the Local Government Act, Chapter 265, which grants them power to enter into contracts necessary for the discharge of their stipulated functions.

Where partnerships have been established even on a limited scale, the service delivery situation has tremendously improved. Provision of essential services in the past had been left to the central and local governments. With decreasing national and local resources accompanied by rapid population growth and negative economic growth, SAP's, and effects

of globalization among others, alternative mechanisms for the provision of urban services are inevitable.

In the last few years, the mood in Kenya towards reviving the urban areas has been changing due to a number of reasons, namely;

- i. NGO's helping communities to organize and establish CBO's.
- ii. Donors such as Department for International Development (DFID) The Ford Foundation, and the German Development Corporation Agency (GTZ), multinational's such as the World Bank and the United Nations emphasizing and supporting participation (Fadamula, 2002).

According to Lamba and Smith, 1994, Nairobi faces many challenges. The City Council of Nairobi suffers from bad governance, gross mismanagement, including financial mismanagement, underutilization of council resources, a bloated workforce, weak institutional and policy frameworks, inadequate resources, a narrow revenue base and interference from the central government.

This contributes to its dismal performance in service delivery. The rapid, urban population growth in the city has also presented new challenges of unemployment, crime, poverty, mushrooming of squatter and slum settlements, ever growing number of street families and children among others.

The last few years have seen the mushrooming of many partnership organizations to address the problems in the urban areas. The partnerships fall in the following categories.

- i. Sanitation and Environmental Management.
- ii. Combating crime -security/safety
- iii. Advocacy
- iv. Environment
- v. Street families
- vi. HIV/AIDS
- vii. Governance/Fighting corruption
- viii. Traffic management
- ix. City improvement Districts
- x. Technological Advancement in government

(Adopted from Fadamula, 2002)

2.6 Policy Framework and Implications

The Local Government Act Cap (265), which governs the operations of local authorities in Kenya, is silent on partnerships and participation in local government. It is also not until now in the National Development Plan, 2000-2008, that the government mentioned partnerships and participation of other actors in local governance and service delivery. Section 7.2.1, states..." In addition, they provide an important channel of enhancing citizen participation for improved economic governance and accountability."

Section 7.2.7, of the National Development Plan 2000-2008 states "The expansion of local authorities coupled with urban population increases and budgetary constraints has resulted in local authorities not being able to maintain and effectively manage existing services; consequently the government has shifted towards privatization, commercialization and stakeholder participation in traditional local services delivery.

Section 7.2.8, encourages local authorities to privatize and commercialize non core functions. The government is also to encourage more viable private sector initiatives to supplement local government efforts in improving service delivery. From the foregoing, the government has acknowledged its incapacity and that of local authorities in meeting the needs of the urban populace and therefore inviting other stakeholders to participate.

ALGAK (2002) states that, "In its previous content, chapter 265 of the Local Government Act has always ignored the notion of community participation in local governance and development. In common with many countries, Kenya's reforming local government system have largely been ineffective in stalling decay in urban areas as they slide into poverty, insecurity, unemployment, decaying infrastructure; lack of services and investor flight continues. The very weak financial position of local authorities has been considerably strengthened in the past few years due to government reforms. But the real and lasting improvement will only happen if partnerships and community involvement are embraced by the government and local authorities."

The Local Government is currently undertaking reform programs through the processes of:

- i. Decentralization

- ii. Devolution
- iii. Delegation
- iv. Financial Management
- v. Improving Operations
- vi. PPP participation

The government has put in place avenues for popular participation of all stakeholders in urban governance. Decentralization can be an important step in creating opportunities for citizen participation (UN- Habitat, 2002).

The ongoing Local Government Reform Programs, which are a decentralizing initiative; have sought to increase the power and responsibility of the locally elected Councils to improve service delivery, to enhance governance and to alleviate poverty.

A major output of this process is the introduction of Local Authority Transfer Fund (LATF), which was passed through an act of parliament. These are Central Government transfers funds to local authorities for service delivery. It is also an incentive for local authorities to improve financial management revenue mobilization, debt resolution and a participatory planning process at the local level, through the Local Authority Service Delivery Action Plans (LASDAP).

LASDAP's are geared towards improving the provision of urban services. LASDAP's are done through a consultative process by local authorities who mobilize citizen participation in prioritizing local expenditure, and to encourage expenditure on local urban service delivery.

LASDAP ensures community participation or the consumer of urban services to identify the priority areas to be dealt with by the local authority. The Local Government Reforms, which include the review of LGA Cap. (265); in context of the wider constitutional review process currently taking place, seeks to provide an efficient and effective local government capacity. It also seeks to strengthen local government capacity and to accelerate transfer of functions and power to local authorities.

With the shifting emphasis in development strategies towards promoting more socially equitable economic growth and meeting the basic needs of the poor, wider participation in decision making is considered essential to the development process (UN- Habitat, 2002).

There are no legal or administrative structures for community participation (Read Stakeholder participation) and involvement in the management of Kenya's local authorities. The law only guarantees political participation through civic elections. Once elected, the Council and the Central Government remain the key decision-makers on local development matters (UN-Habitat, 2002).

Local authorities under section 143 of the Local Government Act Cap (265) are granted power to enter into contracts necessary for the discharge of their stipulated function. With the absence of clear policy on stakeholder participation, this clause provides the entry point for stakeholder participation or private partners in the management of the urban areas.

It is however important to note that the review of the Local Government Act Cap 265 is ongoing. The review aims at establishing a decentralized legal framework that emphasizes the devolution of powers to Local authorities with adequate financial and other resources.

Other policy initiatives that have been undertaken include the rationalization of the local business licensing system achieved through the establishment of the Single Business permit (SBP) in 1998. This has led to increased revenues for local authorities and a reduction of the costs of administering the same. The increase in revenue collection is expected to translate into improved service delivery.

Sector policies reforms in the ministries of health, education also have a bearing on the delivery of health and education services by local authorities. For example, the introduction of free primary education and its effects on local government schools has led to overcrowding of the existing facilities.

For example, according to the current master plan for education prepared in 1998, the government plans to devolve education sector to local authorities and to local educational institutions by the year 2010. Yet currently, our local authorities are already overburdened by their current responsibility. The introduction of cost sharing user fees for services previously provided free of charge, e.g. in the health sector and in the education sector, before the implementation of compulsory free primary education saw the exclusion of the poor from these services, institutional and management systems.

The National Poverty Eradication plan, which was prepared by the government in line with the world summit of 1995, had its main objective being to reduce poverty, to strengthen the abilities of the poor and vulnerable groups to earn income. The new strategies of NPEP (1999) and the PRSP 2000-2003, highlight the governments wish to alleviate poverty by 2015, require the adoption of a broad based consultative process or a multi sectoral (partnership approach) to incorporate and harmonize the policies and strategies.

These initiatives however lack common objectives and co-ordination. They are also characterized solely by short rather than long term interventions, thus hindering their performance and success

Creation of an effective system of participatory local government is pre-requisite for sustainable development. Partnerships have been established worldwide to address various aspects of urban life and with varying degrees of success. Partnerships need to promote urban economic development and create wealth in the form of jobs, use city assets as inputs, create a formal link to the private sector to facilitate partnerships and to respond to private sector preferences that necessitate the creation of a separate entity for sustained and/or increased partnership and involvement (Fadamula, 2003).

Where local community is partnering with any government agency in problem solving, the results are manifested more effectively. From the above, it is evident that partnerships are the way to go in building sustainable cities.

2.7 Institutional and Management Systems

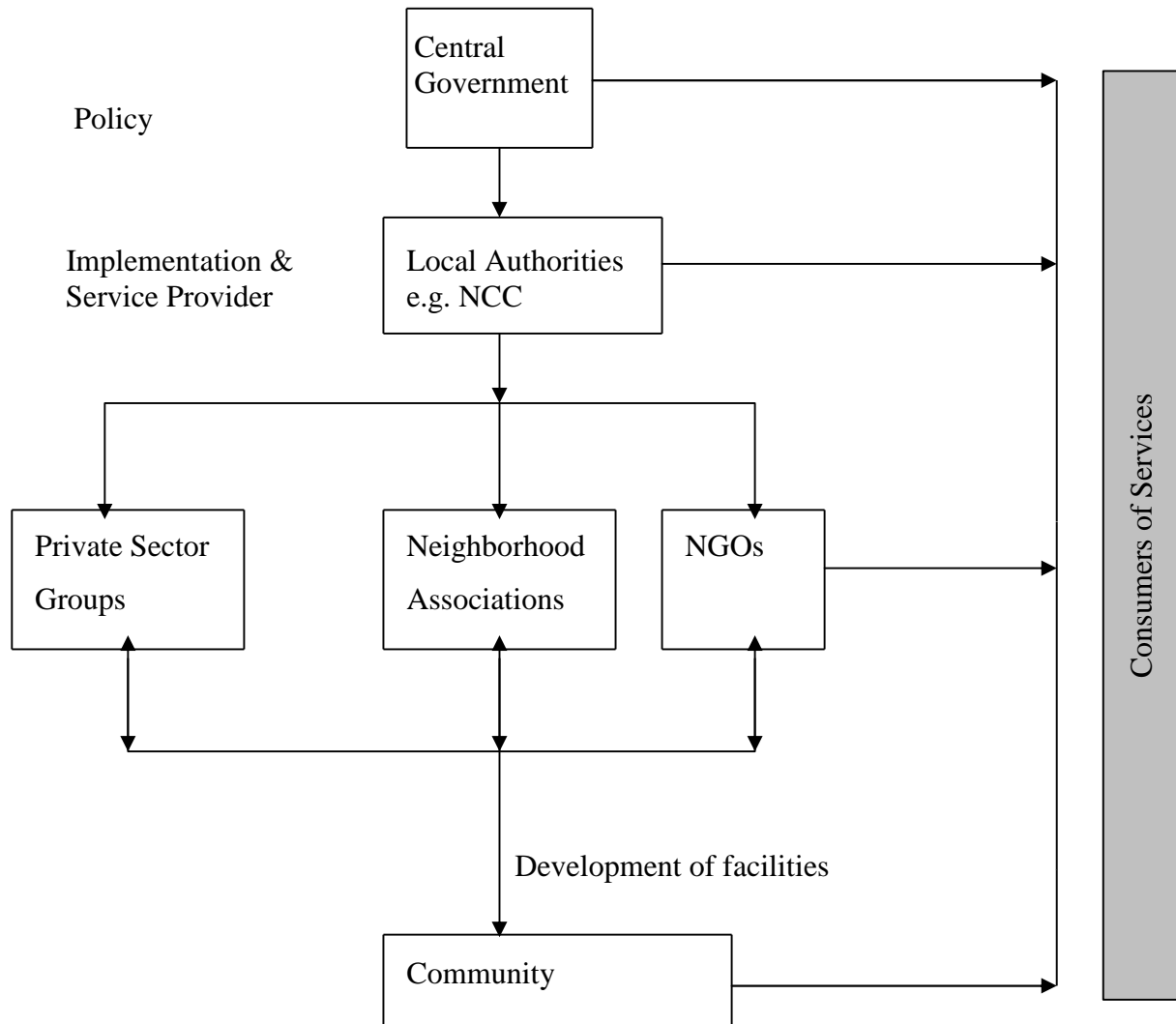
Local authorities carry the burden for urban service delivery both financially and technically on limited resources and other constraints. A system of government that involves all the key players in government and civil society under the direct supervision of the Ministry of Local Government and through the powers of the Local Government Act cap (265) is essential in turning Nairobi into a sustainable city,

Ministry of Local Government constitutes local authorities, oversees policies such as by-laws, staffing, administration and operations, especially on budgets and financial management, provision of technical support. It is also charged with the responsibility of providing supervision and regulation of local government activities.

In the current institutional structure in Figure 2.1, the Central Government under which the Ministry of Local Government falls alongside other sector ministries such as Health, Education, Finance, and the office of the President is charged with policy formulation (UN-Habitat, 2002). Local authorities are mandated vide the Local Government Act Chapter (265) to implement the policies formulated by the government. In addition, the private sector, NGOs and CBOs are basically consumers of the service and develop some facilities.

They are however not involved in policy formulation. Their level of interaction with the central and local government is minimal

Figure 2.1: Existing Institutional Framework for Urban Service Delivery



Source: Kasuku, (2001)

Furthermore, the formal institutions of Central and local government as they relate to the territory of Nairobi are complex. Nairobi has 8 constituencies with 8 members of parliament, which cover the geographical areas, 55 Wards each with an elected City Councilor.

In addition to that, seventeen Councilors are nominated to the Council by the Minister of Local Government. The Councilors govern as a legislature on behalf of their constituents through the Council Administration at the NCC.

Their powers are however limited by the control Central Government has over the appointments of heads of departments as well as other controls stipulated in the Local Government Act. Chapter 265 of 1984

The government structure of Nairobi is overlaid with alternative institutional framework of the Office of the President, the Provincial Administration, headed by a Provincial Commissioner, appointed by the president; with District Commissioner, District .Officer, Chiefs, Sub-Chiefs answerable to him (Lamba and Smith, 2000).

The effects of the provincial administration can be seen in the structuring of the informal settlements in Nairobi. The Provincial Administration has been administering these areas outside the legal framework of the formal city (Lamba and Smith, 2000).

The divide between city and central government officialdom is certainly not clear-cut in this respect. The range of actors engaged in Nairobi's haphazard governance is not only broad,

but also uncoordinated by any mechanisms of negotiation and is to a large extent unknown, or at least undocumented.

Some of the factors that would play a role in the running of NCC include

- i. Elected representative
- ii. Employed staff of NCC, including the professionals
- iii. Provincial Administration
- iv. Formal sector business enterprises
- v. Informal sector business enterprises
- vi. NGO's
- vii. Religious organizations, citizen groups (residential or sectoral).

2.8 Critique of Existing Framework for Partnership Institutions in Urban Service Delivery

The current institutional framework does not provide for clear-cut mechanisms for popular participation, neither does it provide for the involvement of the private sector, NGOs and CBOs in policy formulation. More recently, emphasis is being placed on factors, which improve the quality of life through popular participation, or through the formulation of an enabling framework.

The enabling framework gives the governments a central role in setting the pace for urban development, but a lesser role in providing the investment. The concept of enablement is based on the understanding that most human investments activities and choices, all of which influence achievement of development goals, occur outside of government

Democratic and participatory governments, which allow for all actor participation, are not only important goals of development but also important means of achieving such development. Much would be achieved in the urban environment if the government supported participatory activities. The arguments are that an enabling environment enables even the socially excluded groups to provide solutions to their problems, utilizing the little government help available.

By governments allowing for a participatory framework for urban management, it is bound to minimize the fiscal burden on itself by reducing the dependence of the public sector on the exchequer. This will improve the utilization of scarce resources by enhancing returns on those resources so as to achieve greater efficiency.

In addition, they would enhance the commercial viability of service delivery; enhance the role of private sector in the economy by shifting more of the responsibility for the production of goods and services from the public to private sector and creating a level playing field by removing impediments to participation by the private sector. In so doing, the government would;

- i. Introduce competition and improve efficiency in service delivery.

- ii. Allow for the adaptation of innovation and new technology.
- iii. Broaden ownership.
- iv. Increase revenue collection.
- v. Develop the private sector.

It is evident that there is need to develop a new institutional framework that allows for the participation of all actors in city governance; as the benefits bound to accrue from such ventures are broad.

2.9 Conceptual Framework

Regardless of its ideological load, the term “partnership”, belongs to a broader family of network concepts used in recent academic literature on urban policy making and implementation. Sometimes a particular organization unit of local government joins other actors in a coalition to develop a policy to solve a particular problem. This coalition may just be an ad-hoc arrangement for one particular occasion (an issue network) or it may be an element of a long term strategy for a set of actors (Rhodes, 1986 in Elander, 2002).

In literature, three sets of arguments in favor of partnerships are commonly put forth: *Synergy*, *transformation* and *budget enlargement*. (Bailey *et al.* 1995, Hastings, 1995; Mackintosh, 1992 in Elander, 2002).

Mackintosh defines *synergy* as the additional benefit gained when two or more partners act together to attain a common goal. The essence of a joint venture is the creation of additional profits through combining the different assets and powers and an associated negotiation process over the distribution of those profits, partly to increase returns to private shareholders and partly to serve social ends. Thus the perceived synergy effect of a partnership is not equal to simple addition but should include a quantitative leap: “two plus two is more than four” (Elander, 2002).

The *transformation* argument refers to the efforts made by one partner to change the other’s world view, behavior and priorities. Thus a public or nonprofit institution could try to push a private sector partner to take a more “social” approach while a private company could try to influence the public sector partner to move in more market-like direction (Elander, 2002). In this model, the partnership becomes a mutual struggle for transformation.

The *budget enlargement* argument pertains to the objective of raising more money by pooling resources and thus trying to obtain additional support from a third partner. By showing a will to cooperate, two or more partners might gain additional support from a central government or a donor, thus making their budgets larger, unlike in a situation where each of them would have acted in isolation (Elander, 2002).

The processes of mobilization for a partnership may start either through a top-down policy initiative by a government or through action taken by non public agents more or less

independently of public policy (Elander, 2002). Many partnerships tend to be a mixture of top-down and bottom-up approaches.

There are various existing theories that attempt to explain the nature of PPPs in urban service delivery. The concept of Organization Change is in regard to organization wide changes as opposed to smaller changes of adding a new person, modifying a program. Organization wide change might include change in mission, restructuring operations, new technologies, mergers, major collaborations, re- engineering, along with others. This may be referred to as organizational transformation. Often this term designates a fundamental and radical reorientation in the way the organization operates (McNamara, 2004).

Organization wide change is essential for local authorities to undertake, so as to enable them evolve to a different level in their life cycle, from underperforming and poor urban service providers to more efficient local authorities that are partnering or merging with others to provide efficient urban services.

Organizational change is inevitable for Kenyan local authorities, with the involvement of PPPs and the citizens on how the city is run, diminishing state control, constitutional changes, rapidly growing cities with diminishing revenue bases and new management techniques. In addition, they have to cope with rapid changes not only in technology but also in structural, institutional, social and behavioral systems. The theory explains why the NCC cannot remain the same in the way it carries out its functions once PPPs come on board.

The Classic Economic Theory on the other hand also has a bearing on partnerships. The theory suggests that an economic actor would participate in a partnership if the benefits outnumbered the costs. The economic actor will take into consideration issues such as finding the right partner, negotiating the conditions of collaborative work and the monitoring of the partners, compliance with the contract etc. The costs to be considered include negotiating, establishing, supervising and making the partnership work (McNamara, 2004). The Classic Economic Theory explains why the private sector would ultimately partner with the public sector. It would be that the benefits of doing so outnumber the costs. The PPPS that have engaged the CCN have done so due to the benefits they are likely to enjoy by partnering with the Council.

A large part of this study has relied upon the Urban Regime Theory. The Urban Regime Theory was elaborated principally by American Clarence Stone in 1989. The Urban Regime Theory focuses on relationships among public, private and nonprofit community sectors in urban politics. It argues that politics matters in urban governance. It also acknowledges that the private sector often has large advantages in shaping a governing regime, due to its access to resources. Urban Regime Theory thus identifies the private sector as a powerful actor in urban politics and attempt to trace its influence in any explicit partnership or implicit alliances, with the other two sectors (Rubin *et al*, 2001).

This theory sets to explain and show how “others” namely, PPP can be involved in urban governance. The Urban Regime Theory asks how and under what conditions do different

types of governing coalitions emerge, consolidate and become hegemonic, and how they devolve and transform (Anttiroiko *et al*, 1998).

The Urban Regime Theory holds substantial promise for understanding a variety of responses to urban change. It emphasizes the interdependence of government and non- governmental forces in meeting economic and social challenges. This is why it pays attention to the problem of cooperation and co-ordination between government, business community and the third sector or civil society (Stoker in Anttiroiko, 1998). Clarence Stone (1989) argues that cities are able to accomplish important public purposes by assembling coalitions of political, business and community elites.

According to Stone (1989), the regime is an informal yet relatively stable group with access to institutional resources and which has a significant impact on urban policy and management. It is not a coherent organization or association, but an informal group of influential persons who derive their power from different sources, who share some policy objectives like that of promoting the growth in their city and who can gain some economic, political or social rewards from their involvement.

Regimes bridge the divide between popular control of government and private control of economic resources. Beyond the inclusion of local government and businesses, participants in regimes may vary including neighborhood organizations representing different groups and classes of people.

Urban Regime Theory has been used to explain public and private sector relationships in American cities and may be used to explain the involvement of PPPs in urban Service delivery. The concept has now been applied at a number of different settings: at the regional level, sub-city level, at the borough level in London and the neighborhood level in Los Angeles (Mossberger, 2001).

The theory when applied to the city of Nairobi confirms that PPPs are a new phenomenon and the fact that the Council can now engage them in the provision of urban services, confirms that the private sector can shape policy. The new policy direction is to involve the private sector in service delivery. This is a shift from the service delivery framework that existed before. In addition, the private sector funds are now finding their way into the provision of urban services that was a preserve of central and local governments in the past.

PPPs have emerged in Nairobi to address the problems arising from the failures of local government to provide services. These PPPs are in the form of coalitions or limited liability companies that are now engaging the government in issues of urban service delivery. They are increasingly being recognized as important players in urban service delivery.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter extensively addresses the research methodology applied in carrying out the study. It discusses the research design, the population and sample, the data sources, the data collection techniques and the data analysis and presentation.

3.2 Research Methodology

3.2.1 Research Design

In order to obtain data and information for this study, I visited the offices of NCBDA, the particular partnership institution I was interested in analyzing. I adopted an intensive purposive sampling technique that allows the researcher to use cases that have the required information with respect to the objective of this study.

The study relies on a case study. This would allow for the study and evaluation of the particular institution in greater depth. The selection of the case study is based on the need to present a true and representative situation that would reflect the position as accurately as possible. I developed a checklist of questions that were raised and discussed with key respondents at NCC and the partners involved with the council in the provision of urban

services of interest in this study, with the aim of gathering the information necessary for establishing the position on the engagement of PPPs in urban service delivery. I obtained information from the Council to determine their role in urban service delivery and how they engage PPPs. Further, I obtained information from NCBDA, Adopt-a-Light and the various partners involved in beautification of open spaces and streets in the city of Nairobi. Additional information was obtained from commercial enterprises and pedestrians in the CBD in order to obtain their view on the services provided by the Council and the PPPs.

3.2.2 Population and Sampling

The population for the study comprised of the day population that converged in the CBD of the city of Nairobi on a normal working day. The sampling procedure chosen was purposive sampling on one hand and stratified random sampling on the other hand. Purposive sampling was applied to NCC and the specific organizations with the information required and also because of the ability of this method to provide in-depth information. Stratified random selection was applied to the population in the CBD to enable me achieve a desired representation from the different parts of the city. The respondents, i.e. the commercial enterprises and pedestrians interviewed were divided into two groups, representing the upper part of the CBD, the area between Uhuru Highway and Moi Avenue and downtown Nairobi, being the area from Tom Mboya Street and Nairobi River to the East and North East of the CBD.

The respondents interviewed were then selected randomly from each stratum. They included residents of the city during the day comprising of 50 commercial enterprises and 50

pedestrians in total. Each Stratum of 50 respondents comprised of 25 Commercial enterprises and 25 pedestrians. This sampling procedure was essential in order to determine if both parts of the city had equal access to urban services. This sampling procedure ensured that sentiments from all over the city were taken into account.

The questionnaire design was based on the objectives of the study. A draft questionnaire was administered to six respondents as a pilot test to ensure that the questions flowed with ease and also to enable the researcher add other questions that had been left out.

3.2.3 Data Sources

Secondary Data: This has been obtained from extensive article review of literature on partnership institutions, both locally and internationally, from written texts and the Internet and also from the analysis of audiovisual records. This has also included information from NCC, World Bank Reports, UN reports among others.

Primary Data: Primary data was obtained by administering questionnaires to a cross section of respondents within the study area, the NCC and to the key partnership institutions involved in the provision in the urban services under study. Interviews were eliciting information on visual surveys of specific projects and activities resulting from partnership institutions. The researcher made numerous field visits to the CBD, carried out site recordings and documentation in the form of photographs of the improved public toilets, the old and the new street lighting with advertisements and photographs of the improved and landscaped open spaces in the CBD. Maps showing the location of the study are in the

country context and the study area was also obtained. In addition actual observations of the three services were also recorded. The observations were important for assessing the actual situation as it is on the ground.

In addition, the researcher obtained additional primary data by utilizing some of the services provided, so as to get firsthand experience and information on the project.

3.2.4 Data Collection Techniques

Data was derived from 100 residents of the CBD of the city of Nairobi. The interviews were spread out in order to cover the entire central business district. This was done by dividing the CBD into two parts, the upper CBD comprising of Moi Avenue towards Uhuru Highway and downtown CBD from Tom Mboya Street to the Nairobi River on the Eastern and North Eastern boundary of the CBD and its environments. This was essential in order to obtain views from all parts of the CBD. Visitors to the CBD were also interviewed as they also utilize these services from time to time.

Data was collected from the field through field surveys and reconnaissance studies, interviews with respondents and key informants. It also involved retrieval of maps and relevant information from the parties involved. Two main languages, English and Kiswahili were used for the interviews. In addition the institutions involved in the case study were interviewed individually by use of a questionnaire.

3.2.5 Data Analysis and Presentation

The data collected was compiled and analyzed. The summarized data was presented in the form of tables, graphs or charts. Qualitative data was presented in prose. Other presentation techniques include the use of computer-aided graphics, tables, maps and photography as appropriate. This method of data presentation is more tangible and visible and best demonstrates the quality of urban services provided by the NCC and the effect on service delivery upon the entry of PPPs

CHAPTER FOUR

THE STUDY AREA

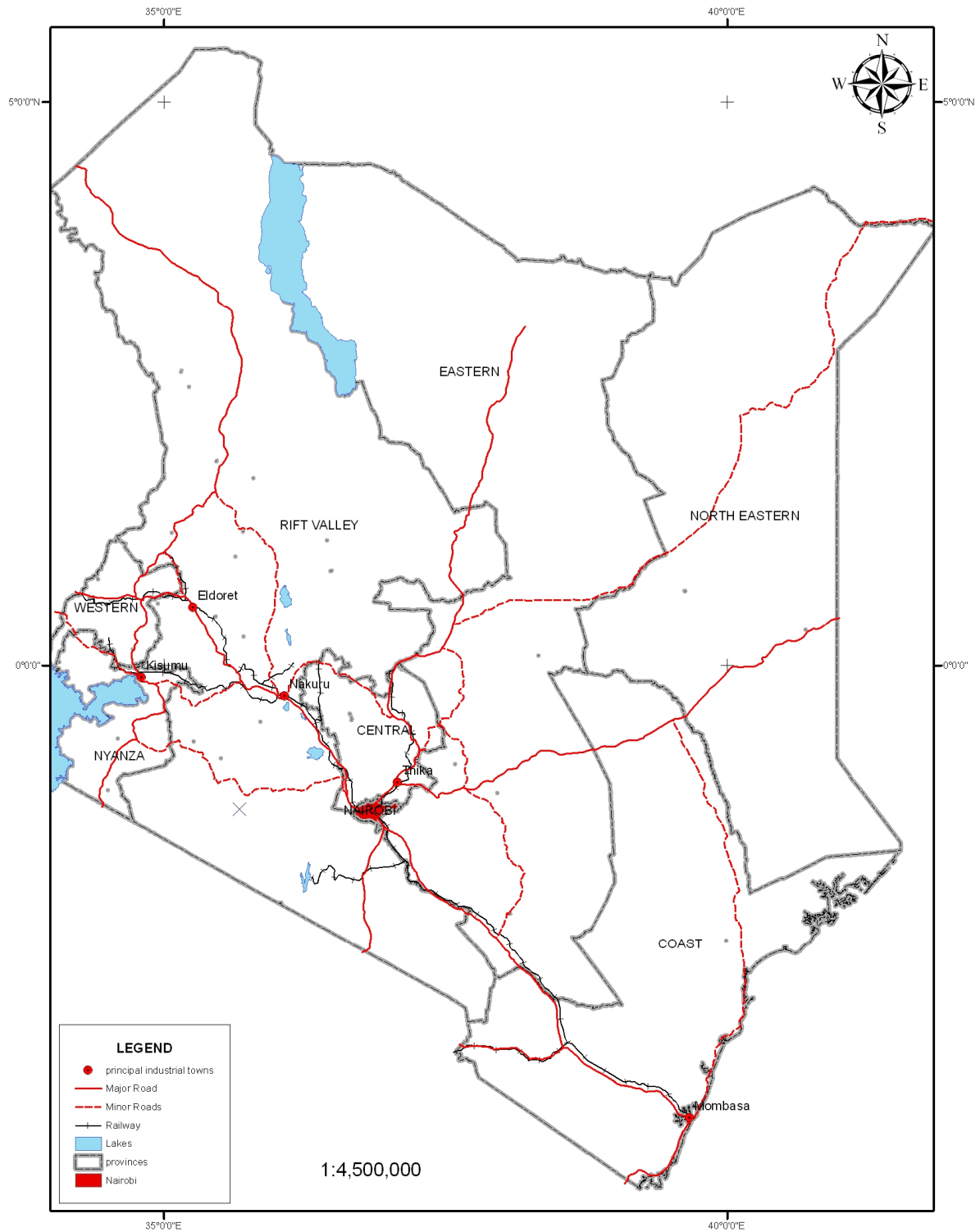
4.1 Introduction

The chapter provides in-depth reviews the study area by looking at the background of the study area, the demographic and social economic context and the population growth in the study area. In addition, it also discusses the historical development of local government in Kenya and post colonial era of local government in Kenya.

4.2 Background of Study Area

The city of Nairobi has its origin as a railway encampment in 1898, when the Uganda railway from Mombasa to Kampala reached Nairobi. In 1900, The Nairobi Municipal Regulations established the townships defined by, “that area defined by 11/2 miles from the present office of Her Majesty’s Sub-commissioner in Ukamba”, which was the first and complete arbitrary boundary of Nairobi (Chana and Mbogua, 1996). Map 4.1 shows the location of Nairobi in the country context. By 1906, definite land use zones had appeared, and not through any town planning but at the hand of chance and the choice of the colonial inhabitants and landowners. The pattern of these ad-hoc zones still underlies the present day Nairobi (Channa *et al*, 1996).The colonialists excluded the Native Africans from the city.

MAP 4.1 Location of Nairobi in the Country Context



Source: Ministry of Lands, Year: 2008

In 1919, The Municipal committee that had run the affairs of the city was terminated and Nairobi became a Municipality. At the End of the First World War, there was an influx of former British Soldiers into Kenya. In 1920, Kenya was declared a British Colony and the affairs of the Municipality were now controlled by the settlers (Channa and Mbogua, 1966)

In 1927, a plan based on racial segregation for residential areas and the provision of road Networks were implemented. There were separate residential areas for the Europeans, the high class Asians, the middle and low class Asians and for the Africans at the bottom of the scale. In 1928, a new boundary for the City of Nairobi was drawn and included more of the autonomous areas and the racially segregated settlements (Channa and Mbogua, 1996)

After the Second World War, there was another influx of former British soldiers, who came to the colonial capital, Nairobi. These were mostly entrepreneurs, who came and established factories that processed goods. The colonial city experienced substantial industrial growth after 1945. (Channa and Mbogua, 1996)

A new plan for the city of Nairobi was now necessary and the Nairobi Master Plan was prepared in 1947. Its main objectives was to promote land use control within and outside the central area of Nairobi for the next 20 years. It set aside land for the different types of uses, i.e. residential, industrial commercial, recreation among others (Chana and Mbogua, 1996)

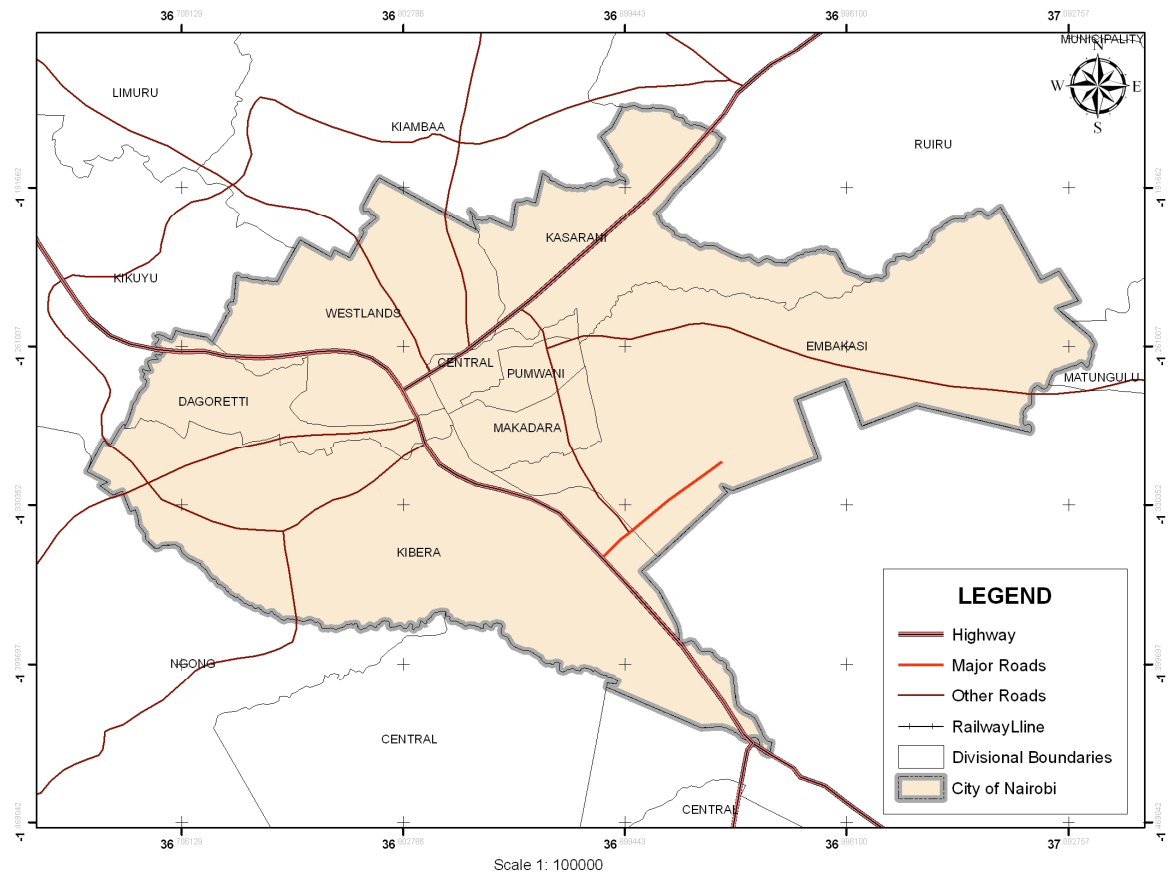
Nairobi was elevated to city status by a Royal Charter dated 20th March 1950, making Nairobi the only city in Kenya. At independence in 1963, the city boundary was extended from the old city area of 90 square kilometers to the present boundary of 690 square kilometers, which included the peri-urban settlements, Nairobi National Park and Embakasi Airport, giving the city adequate land for future growth and expansion. Map 4.2 shows the extent of the area of the City of Nairobi as it is as at now while Map 4.3 defines the CBD.

4.3 Demographic and Social Economic Context of the City of Nairobi

Nairobi is Kenya's principal economic, administration and cultural centre and is one of the largest and fastest growing cities in Africa. The population of the city of Nairobi grew from a paltry 266,700 in 1962 to an estimated 2,750,561 in the year 2005 as shown in Table 4.1. The city's population is currently estimated at over 3 million persons and is estimated to reach 5 million people by the year 2015 at the current growth rate of 6.9 percent per annum

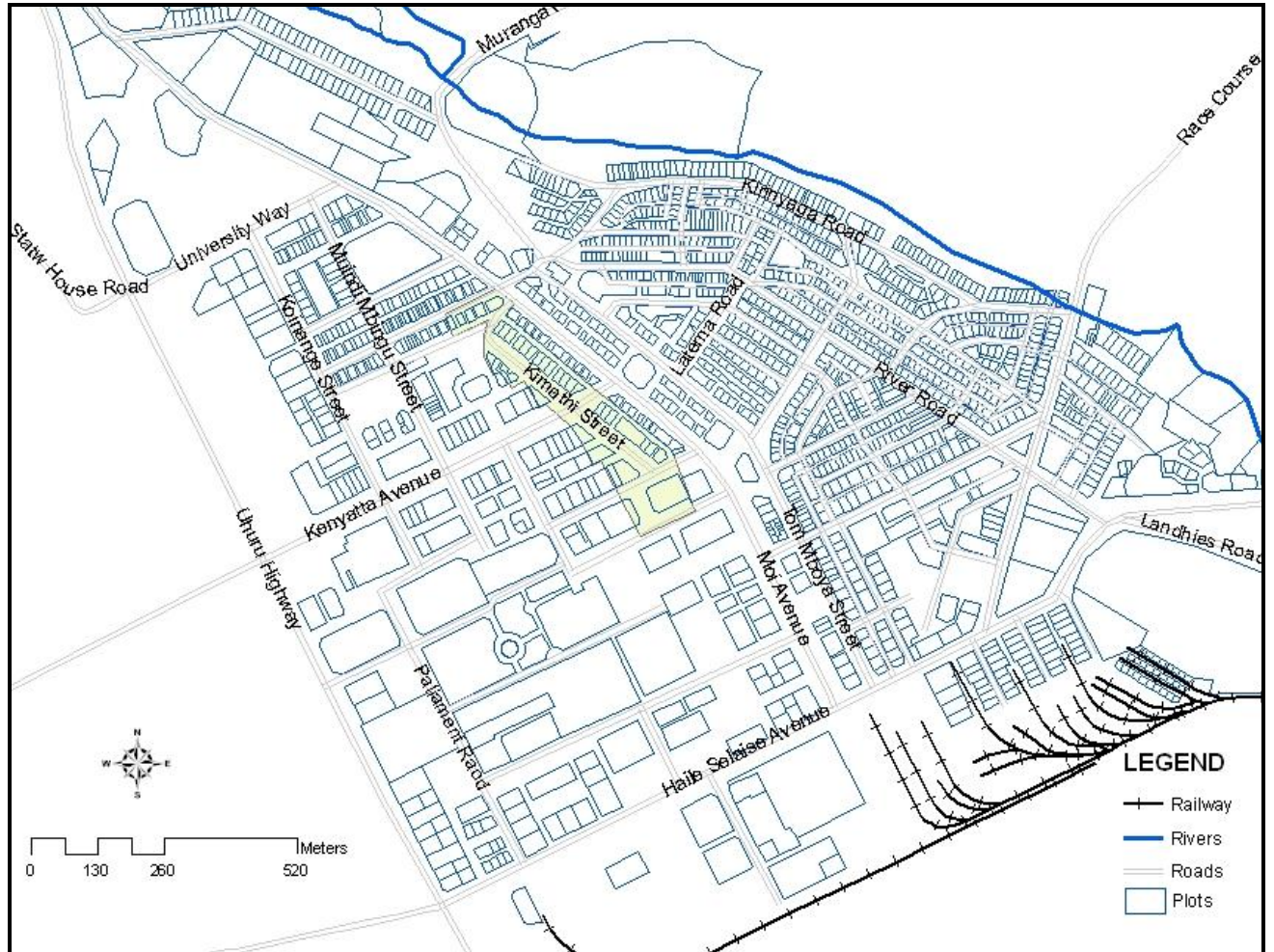
This rapid increase in population could be attributed to rapid rural urban migration, particularly after independence, which allowed the African population free movement into the city.

MAP 4.2 The City of Nairobi Today



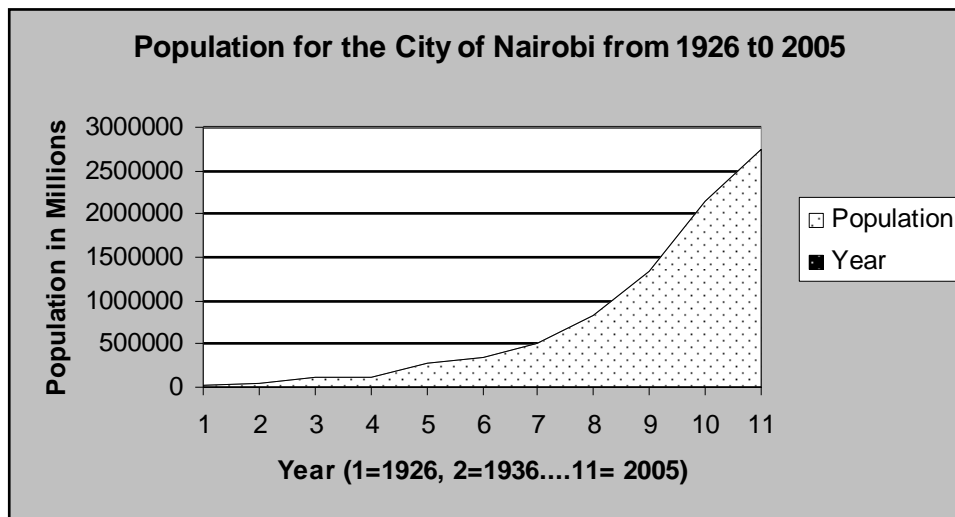
Source: Ministry of Lands, Year 2008

MAP 4.3 Nairobi Central Business District



Source: Adopted from Survey of Kenya, Year 2008

Table 4.1 Population growth of the city of Nairobi from 1962 to 2005



Source: Kenya Population census 1999, Davinda Lamba, 1994.

The introduction of Structural Adjustment Programs (SAP's) , in the 1980's and a decline in economic growth also led to continuing economic hardships that forced a growing number of migrants to the urban areas in search of employment , thus causing an even greater strain on the existing facilities in the urban areas. The declining economy also meant that the local and central governments were not able to increase their investment in urban infrastructure and services commensurate to the ever increasing needs of the urban population. The rapidly increasing urban populations have now contributed to the rapid growth of the "Jua Kali" or informal business sector in Nairobi. This is the fastest growing economic sector and the single largest employer in the city.

Majority of Nairobi's workers are in the low income category. Low income levels are also closely related to other socio-economic indicators such as the nature of employment, residential area, skill level and access to adequate and safe water and sanitary conditions.

(Lamba, 1994) These low income earners have contributed to the growth of the informal city in the city of Nairobi. . It is estimated that 60 percent of the population of Nairobi live in slums or informal settlements and on only 5 percent of the land (UN-Habitat, 2002).

4.4 Historical Development of Local Government in Kenya

Local government is crucial to urban service delivery in Kenya. Local authorities are responsible for urban service delivery and are mandated to do so by law. Local governance can be traced back to 1902 when the Village Headman Ordinance was passed, which gave the Colonial Provincial Commissioners the authority to appoint African Headmen to maintain law and order in the villages as well as collect taxes, maintain local roads as well as arbitrate minor disputes.

A summary of historical development of local government in Kenya shown in Table 4.2 indicates that Local Native Councils were then established in 1924 by the colonialists as a means of expression for the Africans. According to available literature, the functions of the Local Native Councils included the collection of the Local Native Rate, the provision, maintenance and regulation of food and water supplies, maintenance of forests, cattle dips, roads, bridges, public health, use of land, education, market and market dues, agriculture and livestock (Lamba and Smith, 2000).

The first Local Government Commission was appointed by the government in 1926 under R.H. Freetham to examine the structure and functions of the local government in Kenya.

Table 4.2 Summary of Historical Development of Local Government in Kenya

1902 VILLAGE HEADMAN ORDINANCE	
<i>Colonial Administration Appointed chiefs</i>	
1912	Local Authority Ordinance <i>Selected chiefs appointed to head local villages</i>
1919	District Advisory Committees in Selected Areas <i>Established to deal with the war time problems and management of settler estates after the First World War.</i>
1924 LOCAL NATIVE ORDINANCE	
<i>LN councils under the DC. Mandated to collect taxes, provide services: water, markets, slaughterhouses, education, roads, bridges, sanitation</i>	
1926	R.H. Freetham, Local Government Commissioner to examine the structure and functions of local government in Kenya
1928	District Council Ordinance <i>Segregated councils adopted</i>
1937	<i>Africans elected as councilors</i>
1950	Local Native Councils <i>Changed into African District Councils</i>
1963	Local Government Regulations <i>Kenya becomes an independent state. Local GOVERNMENT Regulations Published.</i>
1966	1966 Hardacre local government commission

	<i>Removed the two tier system local Government. African D.C.s replaced by county councils; municipalities and townships left autonomous.</i>
1967	Sessional Paper No 12 of 1967 <i>Government accepts to revitalize LA's with reliable sources of revenue including grants</i>
1969	Transfer of functions Act, 1969 <i>Major services; primary schools, health services, roads maintenance including financial resources transferred to central government except 7 MCs; Nairobi, Mombasa, Thika, Nakuru, Kitale, Kisumu and Eldoret</i>
1974	1974 Graduated Personal Tax. <i>GP tax transferred to central government. General grants abolished.</i>
1977	1977 <i>Local Government Act Cap 265 Enacted</i>
1983	1983 District Focus for Rural Development <i>The policy weakened the LAs, strengthened central financial resource control.</i>
1986	1986 Sessional Paper No 1 of 1986 on Economic Management For Renewed Growth <i>LAs to be assisted in revenue collection and preparation of annual estimated and forward budgets.</i>
1995	Appointment of a commission of inquiry on local authorities in Kenya <i>To prepare a report on LA's in Kenya: a strategy for local government reform in Kenya.</i>

Source: (UN-Habitat, 2002)

Following his recommendations, the then Legislative Assembly passed the District Councils Ordinance in 1928.

A new Native Authority Ordinance was established in 1937. It allowed for the election of Africans as Councilors with a view to giving them more powers in managing their affairs. In 1942, the ordinance was amended to allow the Native Councils to have a deputy chair. These were further amended in 1946 and replaced by the African District Councils through the Local Government (African District Council) Ordinance. These were more democratic with the majority of the councilors elected, though the District Commissioner appointed the chair (Lamba and Smith, 2000). These new Councils were corporate bodies with powers to enter into contracts for the provision of services. They were now empowered to appoint their own staff, and pay their wages and salaries.

The new Councils were allowed to collect taxes through cesses, licenses, permits and fees, in order to be able to meet the wider responsibilities that had been passed onto them. They were now responsible for education, public health, social services among others. They were also allowed to raise loans and to invest any surplus funds to expand services (UN-Habitat, 2002).

The first elections in these Councils were held in 1958, despite their having been formed in 1946. This was because of the state of emergency declared by the colonial government in 1952 so as to curb the strong nationalistic insurgency movement of the Mau Mau Rebellion. These Councils continued to administer the local areas till 1963 (UN-Habitat, 2002).

Local governance in the European areas developed more slowly. What existed mostly were small Groups and associations comprising of the settlers to protect their mutual interests. In 1915, a Registration of Persons Ordinance was established and renamed the District Advisory Committee and their functions were increased to include road maintenance. This formed the basis of local government in the European areas until 1929, when the District Councils were established (UN-Habitat, 2002).

The dual system of local government in Kenya was replaced in 1961. Sessional Paper No. 2 of 1961 titled, “The Reconstruction of Local Authorities” that laid the basis of local government in Kenya. (Lamba *et al*, 2000) This document was instrumental in the formulation of the draft local government bill in 1962. African Development Councils became County Councils and the separate administration of Europeans and Africans was eliminated. This bill outlined the organization of local government in Kenya. In 1963, the Local Government regulations were published. They placed Area and County Councils under the County Councils (UN-Habitat, 2002).

The Local Government Regulations were passed by the National Assembly in 1977 and became The Local Government Act Cap (265).The Act forms the basis for local government in Kenya today.

4.5 The Colonial Legacy

The urban management problems in Nairobi are partly a legacy of the colonial policy of racial segregation. During the colonial period, urban planning and service delivery was based on government sanctioned population segregation, which created separate enclaves for Africans, Asians and Europeans. The outcome being the uneven distribution and development of infrastructure in the different zones. The areas designated as European received best services, followed by Asian areas while the African areas received the least.

The situation has not been redressed to make up for these anomalies in the development, distribution and access to urban services, more than forty years after independence from colonial rule. The segregation situation created by the colonialists still exists to date and is glaringly visible. On the western and north western part of the CBD we have the bourgeoisie, enjoying most of the services at their best and able to pay for private services as the case may be. These were previously designated as European areas.

Majority of the Africans still live on the eastern part of the CBD, with little or no access to urban services. Majority of the African poor, live in high density housing or informal housing in squalid conditions that lack basic services.

After independence, in 1963, the city of Nairobi grew rapidly as a result of population migration and boundary extensions from 91 to 684 square kilometers. Most of the land was un-serviced. There was no coordinated planning of the city in the first decade of independence, only sectoral plans. By the early seventies both the water supply and the road network were inadequate for the

demand. The Nairobi Urban Study Group formed in 1971 to address lack of coordination came up with the Nairobi Metropolitan Growth Strategy which planned for a better spatial integration of industrial and residential (including low income) areas and for the setting up of the City Planning Department (Smith and Lamba, 1998)

In 1973, the government abolished the Graduated Personal Tax, which was the main source of revenue for local authorities. The move left Nairobi, like other municipalities dependent on central government grants (Smith and Lamba, 1998). The current one being the Local Authority Transfer Fund (LATF) that was introduced in order to assist local authorities in service delivery, financial management and debt resolution.

Since then, Nairobi, like most local authorities have suffered from lack of adequate financial resources and as a result have not been able to expand the much needed urban services for its increasing urban population. The state of Nairobi's urban governance may be due to a number of factors including its historical origins and its inappropriateness for dealing with present day social economic circumstances (Smith and Lamba, 1998).

CHAPTER FIVE

SERVICE DELIVERY IN THE CITY OF NAIROBI

5.1 Introduction

This chapter looks at the framework for urban service delivery in the city of Nairobi. It discusses the various actors involved in urban service delivery in the city. It also enumerates the challenges to urban service delivery in the city of Nairobi

5.2 The City Council of Nairobi

The city of Nairobi has an old administrative structure dating back to 1903, when the National Township Committee came into being. This Committee governed the town until 1923, when Nairobi was upgraded a Municipal Council. In 1950, a Royal Charter upgraded Nairobi to city status. The Municipal council now became The City Council. The City Council is charged with the provision of a wide range of services. The services provided include water supply, sewerage, housing, solid waste management, road construction and maintenance, drainage, markets, primary education, health services and social services, town planning, development control, regulation and control of urban public transport, street lighting, mortuary, burial grounds and cremation, slaughter houses and slabs, parks, gardens and open spaces, community and local recreation centers, basic environmental sanitation, vermin control, fire services and fire brigade,

business licensing, bicycles and handcarts, community development, rehabilitation of beggars and street children, enactment of by-laws and their enforcement (Channa and Mbogua, 1996)

Apart from the burial of destitutes, other local authority functions are permissive, as provided for in the Local Government Act Cap 265. Respective local authorities may provide them if relevant legislative and administration requirements are met.

The very essence of local authorities is urban service delivery. A task they have performed dismally. The City Council of Nairobi was dissolved in 1983 due to gross mismanagement and poor urban service delivery. It was replaced by a Commission, run by government appointed Commissioners, with a hope that they would be more efficient and committed in managing the affairs of the city.

The situation did not improve and the Commissioners were replaced with others but to no avail. A total of three different Commissions have managed the City Council since 1983. Each previous Commission has been dissolved for its inability to improve urban service delivery and the general management of the city. The new City Council of Nairobi is still unable to manage the city and to provide adequate services to its inhabitants.

According to the sector review 1996, the following were identified as the key problems of metropolitan governance of Nairobi.

- i. prevalence of corruption
- ii. Poor revenue generation, collection and utilization

- iii. Mismanagement of human resources, quantity vs. quality staff, undisciplined recruitment of unnecessary staff.
- iv. Improper and outdated city management strategies.
- v. Poor governance, low caliber of elected leaders and councilors.
- vi. Obstructive relationship and obsolete legal framework between Ministry of Local Government and City Council of Nairobi
- vii. Lack of Participatory development and community/citizen participation.
- viii. Disregard and abuse of urban planning, land utilization, building codes and development.
- ix. Inadequate and inappropriate urban transportation system, lack of traffic management, poor roads and street lighting.
- x. Inadequate and mismanaged environmental infrastructure, refuse services, water and sanitation.
- xi. Inadequate housing, education and health services delivery.
- xii. Limited and unplanned private sector participation and partnerships
- xiii. Ineffective and inefficient Accounting and Audit Systems

(Channa and Mbogua, 1996)

Other problems plaguing the provision of urban services by NCC can be traced to both local and central levels of government. Paul Smoke, 1994, identifies some of the problems as lack of accountability, lack of decision making authority, under staffing in the relevant government departments, lack of inter-local government co-operation, poor revenue collection and payment delinquency on the part of many government agencies and parastatals, inadequate enforcement authority among others.

These problems have been exacerbated by political difficulties at the city level. The fiscal and political problems faced by central and local government in Kenya have resulted in an inability to cope with the staggering rates of population growth and rapid rural urban migration. Other factors that may also have contributed to the decline of urban service provision may also be attributed to the deficit reduction, civil service streamlining and externalities of structural adjustments. (Adopted from Smith and Lamba, 1998)

The above problems are not exhaustive but provide a basis to deal with the numerous issues affecting the city and its citizens. They indicate the need to upgrade the performance and capacity of the management of the City Council of Nairobi. They also indicate a need for new and innovative ways to be adopted so as to improve service delivery.

The Government of Kenya, with assistance from UNDP embarked on a program for improved governance and participatory development in response to Sessional Paper No. 1 of 1994 on Recovery and Sustainable Development. The sector Review of 1996 defines participatory development as the participation of all citizens of Nairobi in the identification, planning, implementation and evaluation of metropolitan city development programs by mobilizing and utilizing resources towards alleviating the problems in the City (Channa and Mbogua, 1996)

The sector review of 1996 acknowledges the inability of the City Council to meet its obligations effectively and efficiently and therefore advocates for new and innovative ways of service delivery. Alternative methods of service delivery are proposed and they require the involvement

of all actors in this process. They include partnerships, community-based initiatives and privatization among others, so as to compliment the City Councils effort in urban service delivery (Channa and Mbogua, 1996).

5.3 Other Partners in Urban Service Delivery in the City Centre

The City Council has had to look for new innovative ways to provide services to city residents. The Council has partnered with other actors through contracts or Memorandums of Understanding, (MOU's) for the provision of essential services in the CBD. The actors involved include:-

5.3.1 Various Individual Business Groups and Companies

These include various corporate groups such banks, including Investments and Mortgages, Housing finance Company of Kenya, Kenya Airways, and other corporate entities who are involved in environmental management by redecorating and replanting city centre gardens and roundabouts, as well as doing the footpaths and walkways in the CBD. These private enterprises apply to the Council to adopt a roundabout or some street. The Council then grants them consent to beautify the place. They are in turn allowed to utilize the sites for advertising their services.

Licenses are also issued to the private sector to collect garbage from the CBD and to be paid for directly by the generators of the garbage. These players are required to abide by the Council guidelines on to garbage collection and disposal. The NCC plays a supervisory role in this regard. However, illegal dumping sites have emerged due to non compliance by these groups and

laxity by the Council to provide strict supervision. There are also the small associations that are involved in improving security in their areas of operation.

5.3.2 Private Business Enterprises.

Various business enterprises have been contracted at a fee to carry out services that were previously the domain of the NCC. These include Kenya Refuse Handlers in the midst of others, who provide garbage collection services in the CBD.

The Council has also hired trucks and garbage collection equipment from the private sector and contracted them also to collect garbage on the Council's behalf. Currently they have engaged 23 firms in this venture. This was necessary as most of the Council's garbage collection trucks have broken down and are beyond repair due to lack of spares locally. Most of these trucks were given to the Council as grants from donor agencies. (NCC, 2005) Other partnership initiatives are being made in the area of collection of rates for the Council by a private firm.

5.3.3 The Kenya Police

The police Force was involved in the provision of policemen to man the police booths installed through the Nairobi Central Business District Association (NCBDA). This has the effect of increasing police presence thus improving security. However, most booths now remain unmanned and desolate. The problem can be traced to lack of a clear structure for the involvement of arms of government in successful PPP ventures.

5.3.4 Donor Agencies

UN-Habitat, UNEP, UNDP are partnering with the NCC in the area of capacity building. They provide training to the Council staff in various areas of urban governance. The UN-Habitat and UNDP are partnering with the NCC in the Safer Cities Program that is aimed at making Nairobi a safer city. UNEP is involved in the promotion of sound environmental management practices, such as tree planting, cleaning of the Nairobi river basin as well as organizing communities in city clean up exercises.

The World Bank on the other hand is assisting the City Council with capacity building and in the implementation of non motorized transport system for the city of Nairobi, among other initiatives.

5.3.5 Non Governmental Organizations

NGO's such as ITDG, Intermediate, Technology Group partners with the council in areas of capacity building and organization of training programs for the Council staff. Maji Na Ufanisi on the other hand partners with the Council in the construction of convenient and accessible garbage collection centers, mostly in informal settlements, where the residents can't afford to pay private garbage collectors, they also have a high generation rate and are difficult to manage and access.

Various NGO's have also been involved with the Council in addressing the street children and families menace in the city. The Social Services Department of the NCC has also been instrumental in organizing women groups and hawkers to access credit from micro credit finance.

5.3.6 National Environmental Management Authority

The National Environmental Management Authority (NEMA) is a semi autonomous government institution charged with the responsibility to manage the Kenyan environment. NEMA collaborates with the Council in the enforcement of the Environmental Management and Co-ordination Act. On the other hand NCC is a lead agency for NEMA. Relevant Environmental Impact Assessment reports for the city of Nairobi are passed on to the Council to give an opinion.

5.3.7 The Public

The involvement of the public is hitherto spontaneous and without contract. It arises from the knowledge that the NCC on its own cannot win in the area of provision of adequate urban services, but need the citizens to contribute in any way they can, by, paying for the services, proper utilization of services , good urban citizenry, prudent garbage disposal methods amongst others. The public is also involved in environmental cleanup campaigns.

The scope for the involvement of partners for urban service delivery is wide and has not been fully exploited by the NCC

5.4 Challenges to Urban Service Delivery in the City of Nairobi

City Council of Nairobi lacks capacity to directly ameliorate the problems of poverty, unemployment, housing shortage, competition for land, dilapidated and inadequate infrastructure, nor are they able to provide universal access to safe water, healthcare or education

facilities within the boundary of the city. The city is not well integrated into the global economy making it difficult for it to spur economic growth as expected. Various factors have contributed to inability to provide adequate levels of urban services as expected. These include but are not limited to;

Legal and Institutional Framework: The National Legislative Framework for local government is obsolete thus limiting operations of the Council. The excessive control over the affairs of the Council by the Ministry of Local Government tends to affect the management of the Council consequently inhibiting its performance. The history of central governments control of the NCC, through its suspension, legislative change, nomination of members of council and other means can be seen in retrospect as cynical and disruptive rather than aimed at policy reform or good governance (Mazingira Institute, 1994).

Policy and Management Issues: Urban policy and management as it exists, has limited large scale private sector participation in the development and provision of urban services. It has not adequately provided for participatory development. As a result, any private sector participation visible is unplanned and haphazard. If private sector participation were planned, then it would be possible to harness the scarce resources to address the most critical need (Mazingira Institute, 1994).

Poor Land Use Planning: The Land use planning is largely a product of the past poor land use decisions that were made by the Colonial and Post Colonial administrators. As a result, the growth of the city of Nairobi has continued albeit rapidly but in an ad-hoc manner. From the very

beginning, Nairobi was zoned into areas occupied by Whites, Asians and the African workers. The latter were left to develop spontaneously with very little attempt to provide them with infrastructure, while the areas occupied by the whites were well planned in layout and visual appearance. The Asian areas received some level of infrastructure. This situation exists to this day, with poor planning being a characteristic of the low income areas. In addition to this there has been the rezoning and continuous densification of land use throughout the city but without the commensurate infrastructure development to support the densities. As a result, existing levels of infrastructure have been stretched beyond capacity causing most to crumble under pressure (Mazingira Institute, 1994).

Rapid Urban Population Growth: The rapid growth of the city of Nairobi as a result of population migration and boundary extensions is an enormous challenge to the Council. The Council has been unable to keep up with the demand for services. The area of the city increased from 91 to 684 square kilometers. Most of the land was completely unserved, while areas within the old boundaries were unevenly serviced. There was no coordinated planning of the city at this time. Sectoral plans were in use then. It was not until 1973, when the Metropolitan Growth Strategy for the City was proposed. The Plan propositioned for a better spatial integration of land uses within the city and for the formation of the City Planning Department at the NCC. The plan was however not implemented and the City Planning Department was not established until much later. As a result, the city developed in a haphazard and uncoordinated manner (Mazingira Institute, 1994).

Squatter Settlements: The sprouting of informal settlements spotted all over the city of Nairobi are a challenge to the NCC. These settlements emerged as a result of lack of adequate housing in the city to accommodate the rapidly rising population. Urban poverty and unemployment have also contributed to their rapid growth. These squatter settlements, (slums), lack any infrastructure and most are located on environmentally fragile or hazardous land, such as steep slopes, flood plains and abandoned quarries (Mazingira Institute, 1994). As earlier discussed in this paper, majority of Nairobi's population, approximately 60 percent live in the squatter settlements and on 5percent of the land area. High levels of insecurity in the city of Nairobi have been attributed to the squatter settlements. The NCC has been unable to provide services to these settlements as well as to plan for them. The situation is dire and interventions are necessary.

Management of Hawkers: The emergence of informal settlements has contributed to the growth of informal businesses as the occupants of the squatter settlements that are unemployed look for ways to earn a livelihood. Many of these people carry out their trade in the informal sector, (Jua Kali), open air trading or hawking in the streets of Nairobi. These hawkers infiltrate major streets in the city making it difficult for normal business operations to take place within the formal establishments. In addition they pose a security threat. They also increase the cost of policing the streets. The Council has not made adequate provision for the location of hawkers within the city. Hawking is a survival strategy for the urban poor and there is a need to provide ways and means for them to carry out their trade.

Financial Constraints: The NCC suffers from an acute shortage of financial resources to enable it meet its obligations. The City Council of Nairobi is technically insolvent. The situation

has arisen from poor financial management and audit systems at the Council. In addition to this; the Council has been unable to collect its debt. The mismanagement and failure of the City and Central government to comply with loan payments also led donors to withdraw funding for projects. Donors were the single largest financiers of some of the largest infrastructure development in the city. This led to a decline in new infrastructure developments in the city. Delinquency on the part of government departments to pay taxes to the council has also contributed to the poor financial status of the Council. As a result, the allocation of financial resources to development and maintenance of services and infrastructure has been minimal (Adopted from Smoke, 1990)

Human Capacity: According to the council, it has a workforce of approximately 14,000 who exert a huge wage bill on the financial resources of the council. It is not unheard of to hear of strikes as a result of delayed payments of salaries. Out of this workforce, approximately 744 workers are in the professional category with the rest being in the non essential services. The Council has a bloated and bottom heavy workforce. Most of the professional positions in the NCC are vacant and most officers are holding offices in acting capacity. This has affected decision making at all levels

Corruption and Rent Seeking Behavior: The Council has lost money through wayward employees who have employed various means to defraud the Council of cash. Various machinations at all levels of service delivery at the Council have been infiltrated by rent seekers who make it difficult for the urban residents to access services. In addition to this, the Council has lost large tracts of its real estate due to corruption. Some of this real estate includes land that

was meant for the expansion of urban services. The Council now finds itself in a difficult position of having to purchase back the land or alternative sites to enable it provide this essential services. A case in point is the Langata Cemetery of which part of it was allocated to a private developer by the Council. The remaining portion of the cemetery is now full and the Council is in the process of looking for an alternative site to purchase for the purpose. (Adopted from Kenya Anti Corruption, 2006)

Politics: The NCC is a creation of politics. The NCC is made up of 55 elected and 17 nominated councilors. These councilors govern as a legislature on behalf of their constituents. The mayor is then elected by the Councilors from among their number. They are charged with policy formulation at the Council. Partisan politics has at times been brought to bear upon policy and management decisions at the Council. Conflicts between the councilors and even Chief Officers have been known to degenerate into fist fights. It becomes difficult for sober decision making processes to be employed in such circumstances (Smith and Lamba, 1998)

Low Caliber of Elected Leaders: Most councilors elected have no experience of local government management. Upon election, they are thrust into making policies that shape the urban environment of which they have no capacity to undertake. In some cases, the elected leaders have very low levels of education and are unable to comprehend the enormity of the decisions they make on behalf of their constituents (Smith and Lamba, 1998)

Despite the above challenges, the government and the NCC have put in place various reforms so as to improve service delivery in the city of Nairobi. They include; the establishment of the

proposed Nairobi Metropolitan Region Development Board to look into the proper planning and administration of the city of Nairobi; review of the Local Government Act to make it more responsive to changes in urban management and governance. It also includes the review of the legal framework to allow for direct election of mayors and their deputies. In addition to the above, the government in collaboration with the UN-Habitat and other donors, have embarked on slum upgrading, starting with a section of the expansive Kibera slums. The government has also set aside 1 billion Kenya Shillings to be utilized in the construction of hawkers markets in all major urban areas, Nairobi City included.

Other ongoing initiatives being undertaken under the Local Government Reform program include the formulation of an appropriate policy and institutional framework to allow for private sector participation in urban service delivery; Establishment of a Financial Management and Control Board for Local Authorities experiencing financial distress and creation of Nairobi into a Metropolitan City, through a Local Authority Bill.

The Council has also embarked on decentralization of its services so as to improve efficiency and increase access to services, construction, rehabilitation of road works and the 'Green Your City' initiative that has seen the Council embark on tree planting and city beautification programs.

CHAPTER SIX

DATA ANALYSIS

6.1 Introduction

In this chapter, the researcher has evaluated the provision of three urban services by PPPs. The three services are the provision of public toilets, street lighting and open spaces and street beautification.

6.2 Provision of Public Toilets: Nairobi Central Business District Association

Nairobi Central Business District Association (NCBDA), got interested in rehabilitating public toilets in the Central Business District after it observed that the public toilets available were in a derelict state as described in the problem statement.

The main objective of NCBDA is to improve service delivery in the CBD, mobilize business for city development by making Nairobi the Choice of Africa. They want to make Nairobi an attractive city for investment, development and growth. NCBDA currently partners with the City Council of Nairobi, The Kenya Police and Donor organizations. The City Council of Nairobi, as custodians of the urban environment is charged with the responsibility of approving the projects that the organization wishes to undertake.

The Nairobi Central Business District Association (NCBDA), is a non-racial, non-political and non- denominational association, formed in 1997 and is registered as a society under the Societies Act Cap 108. Membership to this organization is by invitation of the governing Council. Its membership is drawn from leading companies, businesses and leading professional bodies within the Nairobi central business district and its environs. Its membership currently stands at 120 corporate organizations. The association members are involved in the activities of NCBDA through sponsorship. In the wake of rapid deterioration of the city of Nairobi, crumbling infrastructure, declining security and safety, environmental degradation amongst a hoard of other problems, largely due to the inability of the City Council of Nairobi to provide these services satisfactorily and also due to unnecessary neglect, misuse and mis-investment of resources, it becomes the prerogative of those affected the most to take concerted action to put a stop to the decay. It was for this reason that NCBDA was formed.

The association members pay a quarterly subscription that goes towards the running of the association. They also make donations in cash and in kind to the organizations. They also participate in the NCBDA subcommittees. They are also enjoined to professional organizations and provide some technical skill and managerial assistance through the Governing Council of the association.

The NCBDA secretariat is responsible for the implementation of projects. Its governing council sets up the policy to be adopted. It also manages the projects that are complete and are operational. The regulatory framework for the activities and services provided by NCBDA is not defined. It relies on the members to regulate its activities.

In 2002, the NCBDA initiated a programme to rehabilitate 15 public toilets in the city center. The NCBDA approached the NCC to discuss the modalities of carrying out the work. According to NCBDA, their initial efforts to partner with the main urban service provider, the NCC, initially met some resistance. This was due to the absence of an institutional and policy framework allowing the partnering. The NCC viewed such institutions with suspicion and did not view them as partners who would accentuate their efforts and thus improve their image as far as urban services were concerned.

The NCBDA partnered with the NCC through a Memorandums of Understandings, (MOU's) The MOU established the partnership between the council and NCBDA to ensure sustainable development of the existing city and to support redevelopment and new investment in the key areas of the CBD and its environs.

Under the MOU, the council was to recognize NCBDA as its partner and create an enabling environment to support its efforts in regenerating the CBD and its environs. NCC was to give the approval to NCBDA to implement projects in areas of security, environment, beautification, governance and civic engagement.

NCBDA on its part was to seek approval from the council to implement the projects, act as an advocate of the business community and partner with NCC for the improvement of the city, starting with the CBD. NCBDA was to encourage the involvement of the business community and all residents in the management of the city through raising awareness and promoting

coexistence. The MOU was subject to renewal every year. The MOU was simplistic in nature but opened up the space for the Council to partner with NCBDA. Under the partnership, NCBDA has been able to rehabilitate 12 public toilets as shown in Plates 6.1 and 6.2. The partnership arrangement adopted by NCBDA/ NCC partnership revolves around the Build Operate Transfer (BOT) arrangement. NCBDA rehabilitated the toilets using its own resources generated from the private sector members.

PLATE 6.1: A Public Toilet Rehabilitated through the NCC/NCBDA Partnership



Source: Author, 2009

PLATE 6.2: Side View of the Rehabilitated Public Toilet



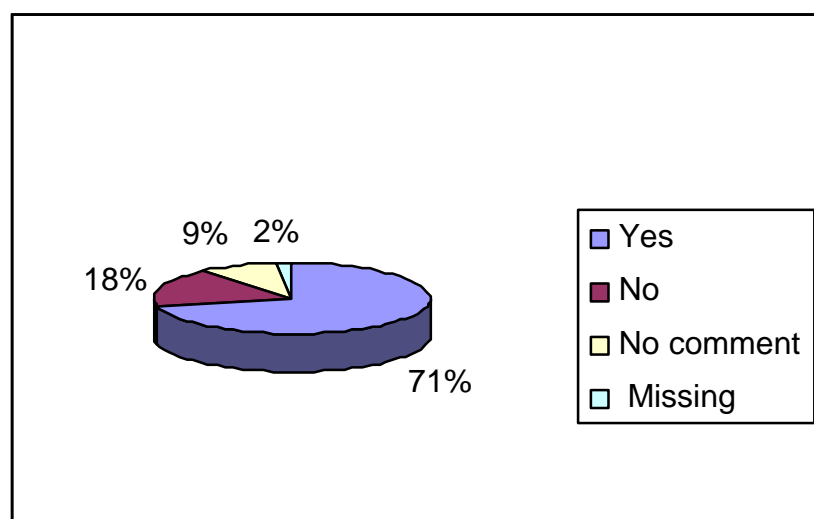
Source: Author 2009

The rehabilitated toilets provide facilities for use by the disabled and also cater for the different religious groups. Once the NCBDA has rehabilitated the toilets, it hands them back to the Council, which then invites tenders for the management of the public toilet. The winning bidder then enters a tripartite contract with NCC and NCBDA. The bidder pays the Council Kshs. 10,000/= per month as owners of the facility and pays KShs. 3,000/= per month to NCBDA. The Council monitors the general management of the facility to ensure that high standards are maintained. The operators of the toilets provide toilet paper and charge between Kshs 5/= and 10/= per person for use of the toilet facilities and between Kshs 10/= to Kshs. 20/= per person for the use of the bathrooms. Some executive suites available at some of the public toilets charge up

to Kshs 50/= per person for use of the executive bathroom. NCBDA estimates that approximately 100,000 people make use of the 12 public toilets they have rehabilitated.

Further findings from the study as indicated in Figure 6.1, show that a majority 71 percent of the respondents have utilized the public toilets that had been developed by NCBDA in partnership with the Council. 18 percent have not utilized the services where as 9 percent of the respondents had no comment. 2 percent of the respondents did not respond.

Figure 6.1: Utilization of Services Offered by NCBDA



Pie Chart showing Utilization of Services Offered by NCBDA

Source: Author 2008

6.2.1 Achievements of the Partnership

According to NCBDA, the partnership with NCC has made some gains despite the difficult environment that they operate in. The partnership has been able to rehabilitate 12 public toilets in

the city center. The partnership was able to do this using private funds and by involving corporate businesses on the venture.

Further, they have been able to promote community participation and shown that there exist other ways in which efficient urban service can be provided. In addition, they have promoted the payment of user fees. The partnership provided an innovative way for providing public toilets for the residents of Nairobi

NCBDA was able to mobilize private sector resources to provide a service that was traditionally a preserve of local government. In addition, they have been able to create a platform and built confidence for other actors to partner with the Council in the provision of urban services knowing well that they too can succeed.

NCBDA states that it has been able to sensitize the city residents on the problems of the city as well as how they, the residents can contribute in improving the quality of urban services. NCBDA states that their programs have a public audience of approximately 20 million persons. They also see their involvement in urban governance and policy formulation.

6.2.2 Challenges of the Partnership

NCBDA states that lack of an appropriate institutionalized policy on partnerships is hampering the full involvement of partnerships in urban service delivery. Resource constraint is also another factor affecting the performance of the association. The limited capacity of the secretariat and public pressure and demand for the services are also a problem.

According to NCBDA, the need for recognition of partnerships by official government institutions, formulation of policy and laws to legalize partnerships and to create a clear institutional framework for their participation and involvement in urban service delivery is necessary for successful partnering. They feel that the private sector should also be actively involved at the policy level

In addition, there is also need to train civic leaders and chief officers on new urban governance trends, such as, partnering for results. NCBDA has also been able to show the NCC new ways and methods of providing urban service successfully. NCC is now able to appreciate, emulate and adopt some private sector methods in its endeavor to provide urban services.

NCBDA is also collaborating with other partnership institutions, CBO'S and Neighborhood Associations through information sharing, joint committees and joint working strategies. It currently collaborates with KARENGATA Association, Kenya Private Sector Forum, and various Community Policing Forums among others.

6.3 Provision of Street Lighting: Adopt- A- Light

The City Council is charged with the responsibility of providing street lighting in the city of Nairobi. The Council was unable to provide adequate street lighting to the entire city. According to the Council, most parts of the CBD were fairly well catered for in relation to street lighting. Most parts of the CBD had the old type street lighting poles as shown on Plate 6.3. The Council

however acknowledges that many parts of the city were in darkness thus causing insecurity. Adopt-a-Light, a limited liability company registered in Kenya, approached the Council in 2002 with an idea to provide street lighting while generating advertising revenue from the venture. The Council then signed a contract with Adopt-a- Light to provide the street lighting. The contract between the Council was signed in March 2002 and was to run for a period of 5 years with an option to renew for a further term of 5 years provided that the company was not in breach of any of its obligations.

6.3: The Old Type Street Lighting Pole in the CBD



Source: Author, 2009

The mode of the partnership arrangement was, 'Contracting Out'. According to the Council, Adopt-a- Light was to use the council's street lighting poles on designated streets.

The Contract signed between the council and Adopt-a-Light, gave Adopt-a-Light exclusive rights to use the street lighting poles on approved streets for advertisements. The company was not to pay the Council any money for the advertisements nor for power. Adopt-a-Light was entitled to erect and remove frames from poles at its discretion. The contract also gave adopt a light responsibility of financing repairs and maintenance by providing all the materials for the street lighting but the Council was to provide labour. The contract allowed Adopt-a-Light to advertise its own and affiliated business for free. In addition, Adopt-a-Light was allowed to determine the advertisement charges payable by advertisers on the poles. The Council was not to directly or indirectly compete with the company in advertising or allow any other parties to place any form of advertisement on the designated poles or close to the street lights. The Council was to advertise its services on its poles but not for any other purpose nor was it to renew any existing advertisement contracts. This created a monopoly for Adopt-a- Light for street lighting and advertising. The initial area of coverage was Mombasa Road, Uhuru Highway, Chiromo Road and Waiyaki Way

On signing the contract, Adopt-a-Light embarked on implementation of the works. It erected unique frames for advertisements on the street lighting poles as shown on Plate 6.4. These were very attractive and presented a new way of advertising in Kenya. According to Adopt-a- light, they erected additional 2000 street lighting poles to the already existing council poles, of which 1800 poles had been adopted by 150 companies for advertisement. The venture turned out to be

very lucrative. No part of the revenue generated from advertising was paid to the Council in line with the provisions of the contract. The Council provided labour and paid for the cost of electricity consumed by the streetlights. Adopt –a-Light expanded the street lighting programme to other roads in the city of Nairobi. The city was well lit and looked attractive with the advertisements done in an orderly manner on the poles on a streets. Plate 6.5 shows an example of a street in the CBD lined with street lighting poles with advertisements frames.

PLATE 6.4: A Typical New Type Street Lighting Pole with Advertisement



Source: Author, 2009

In a short while, the contract was wrought in controversy and disputes with both parties proceeding to the High Court to determine the matter. The Council sought to terminate the contract at all costs. The Council was of the opinion that the contract was lopsided and seemed to favour the partner over them. This marked the beginning of numerous court cases and acrimony between the Council and Adopt-a-Light. The matter also played into the political arena with comments from across the political divide. Some of the cases are still in court and are yet to be determined.

PLATE 6.5: Street Lighting Poles with Advertisements on a Busy Street



Source: Author, 2009

In the year 2007, the Council adopted a new Street lighting policy that sought to nullify the controversial award to Adopt-a-Light. The Council adopted a PPP policy through a Council resolution that sought to guide the relationship between the Council and advertising partners. The new partnership policy sought to address the shortcomings that had been experienced by the Council in its partnership arrangement with Adopt- a-Light.

The new policy provides that the partnership arrangement between the Council and partners on street lighting and advertising will be based on a BOT arrangement. In addition, the policy sets out the mode of revenue sharing between the Council and the partner. Further, it states that advertisers shall pay for the electricity costs. Thereafter, the Council tendered for the provision of street lighting and advertisement on various streets in the city. Interested parties were free to bid competitively for the various streets on offer. This opened up the street advertising to other partners in the CBD.

6.3.1 Achievements of the Partnership

The partnership was able to provide an innovative way of street lighting while generating profit for the partner. The partnership opened up an avenue that other players have emulated in lighting up other parts of the city and other towns in Kenya. As a result of its experiences from the partnership between the Council and Adopt-a-Light, the Council had an opportunity to create the new partnership policy for the management PPPs in the provision of street-lighting

6.3.2 Challenges of the Partnership

The partnership was wrought in controversy stemming from the flawed contractual agreement. The terms of the contract seemed to favour one partner over the other. This led to numerous court cases to try and determine the nature of the contractual obligations. The revenue and cost sharing clauses were ambiguous. The extent of coverage by the company was also not clearly defined and limited. A monopoly was created that locked out other players in the street lighting and advertising sector. There was political interference with the various political groups taking opposing stands on the matter. While some opposed the partnership, some supported it as a noble idea

6.4 Street and Open Spaces Beautification Programs

The Street Beautification Program in the City of Nairobi is managed by the Department of the Environment of the City Council of Nairobi. The Council partners with various actors in order to carry out the beautification exercise. Street beautification entails adding visual enhancements and beauty to open grounds, street gardens, road reserves and roundabouts. The beautification provides that the sites are attractive and should not obstruct human and vehicular traffic.

The Council partners with various actors in the beautification exercise in various ways. It may partner through simplistic licenses that allow the licensee to adopt an agreed upon area of open ground, for a determined period of time and beautify it in accordance with some specifications given by the Council. The Council may advise on the type of plants suitable for the open space. The licensee is expected to maintain the adopted portion of open space to high standards. The

Council supervises and ensures that good standards are maintained. In return, the licensee is allowed to advertise their business on the adopted site at no cost to the licensee. However, the signage for the advert must be approved by the Council in terms of design and size. Plate 6.6 shows an open space rehabilitated and maintained by a licensee.

PLATE 6.6: A Rehabilitated Open Space in the CBD



Source: Author, 2009

The private sector partners have beautified roundabouts, streets and walkways as shown in Plate 6.7. Some of the beautification works are elaborate while some are simplistic but neat.

PLATE 6.7: A Rehabilitated Open Space in the CBD



Source: Author, 2009

The Council may also issue contracts to business firms to renovate, rehabilitate or modernize roundabouts on their behalf as shown on Plate 6.8. In such cases, the contractor is paid to carry out the works on behalf to the Councils specifications.

According to the NCC, there is need to enhance the legal framework of the PPPs involvement so as to protect the public and the Council from exploitation by the private sector. This will also minimize conflicts in future partnership arrangements. In addition, a regulatory framework to supervise the activities of partnerships is important so as to ensure that they operate within the confines of the partnership arrangement and also to ensure that standards are maintained by the

PPP in the provision of urban services. In as much as they have developed a partnership policy on street lighting, the Council is of the opinion that a national policy guiding the involvement of PPPs would be essential in streamlining the approaches of partnerships.

PLATE 6.8: A Roundabout under Rehabilitation by a Contractor



Source: Author, 2009

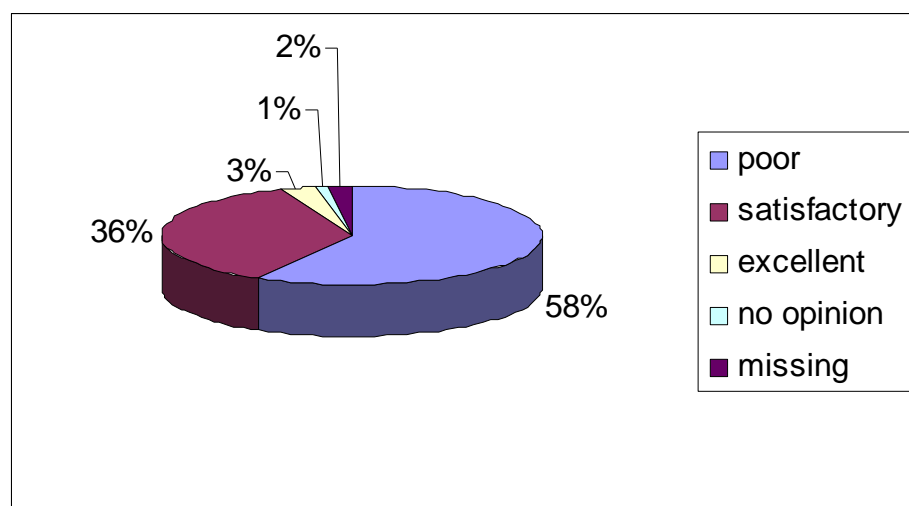
The Council further affirms that the scope for the involvement of PPPs is still large. Other areas where PPPs can be involved are in the areas of solid waste management, management of bus parks, markets and the development of social facilities. The challenge is to ensure that sound PPP arrangements are entered into that provide efficient urban service and ensure that the interests of both parties in the partnership are well catered for.

6.5 Other Findings from the Study

6.5.1 Quality of Services provided by the Council

Findings from the field study indicate, that 58 percent of the respondents thought the services provided by NCC to be poor, while 38 percent thought them to be satisfactory. Only 3 percent thought that the service was excellent. Figure 6.2 shows the quality of services provided by the Council.

Figure 6.2: Quality of Services provided by the Council



Pie Chart showing Quality of Services provided by the Council

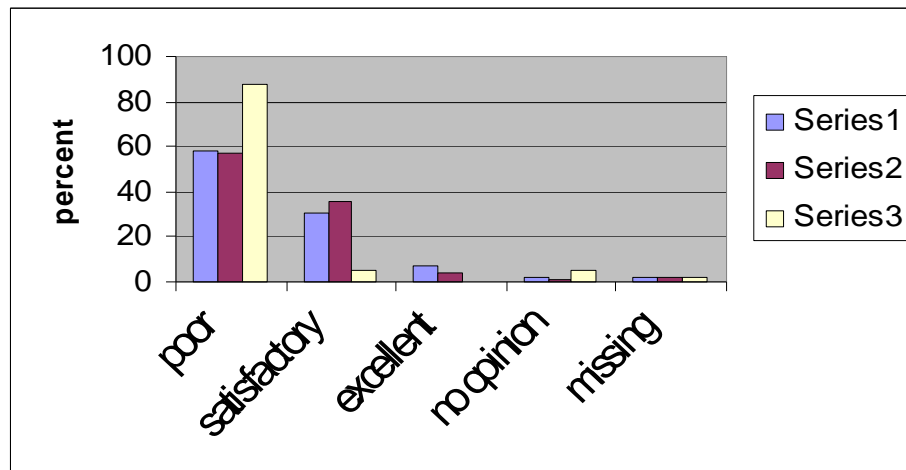
Source: Author 2008

6.5.2 Quality of Services provided by NCC (Public Toilets, Street Lighting and Street Beautification)

An estimated 57 percent of the respondents as shown in Bar Chart 6.1 thought that street lighting provided by the Council was poor, 37 percent thought them to be satisfactory while 4 percent thought them to be excellent. 58 percent of the respondents felt that street beautification services by the NCC were poor, 31 percent thought that the services were satisfactory. Only 7 percent thought that the services were excellent. Over 80 percent of the respondents thought that the provision of public toilets by the Council was poor.

The findings in Figure 6.2 and Figure 6.1 corroborate the statements in the literature review that service provision by the NCC is poor.

Figure 6.3: Quality of Services provided by NCC (Public Toilets, Street Lighting and Street Beautification)



Bar Chart showing Quality of Services provided by NCC(Public Toilets, Street Lighting and Street Beautification).

Source: Author 2008

Key

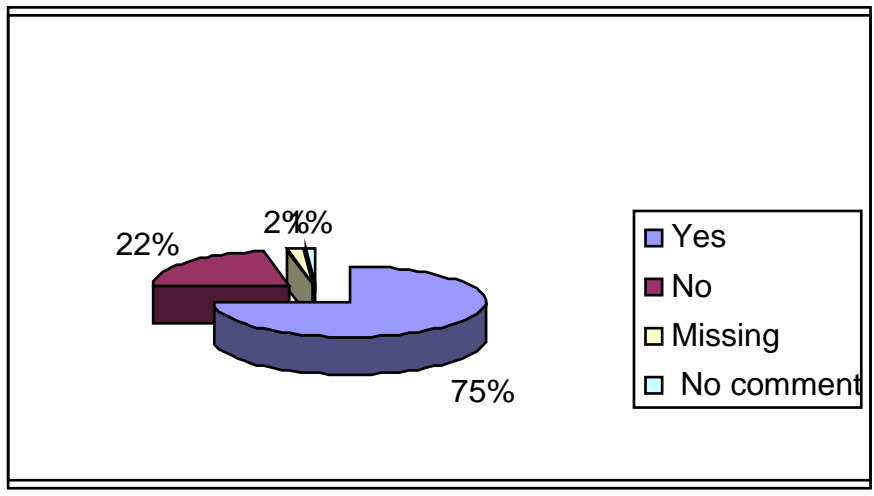
- Series 1: Street Beautification
- Series 2: Street Lighting
- Series 3: Public Toilets

It also confirms the reason for the intervention and motivation for the involvement of PPPs in urban service delivery as being the inefficiencies of local authorities in the provision of urban services

6.5.3 Residents who have heard of PPPs, (Adopt-a Light, NCBDA, Street Beautification Projects)

Figure 6.4 illustrates the percentages of the respondents who had heard of Adopt-a- Light and NCBDA or had seen their projects and projects done on street beautification.

Figure 6.4: Residents who have heard of PPPs, (Adopt-a-Light, NCBDA, Street Beautification Projects)



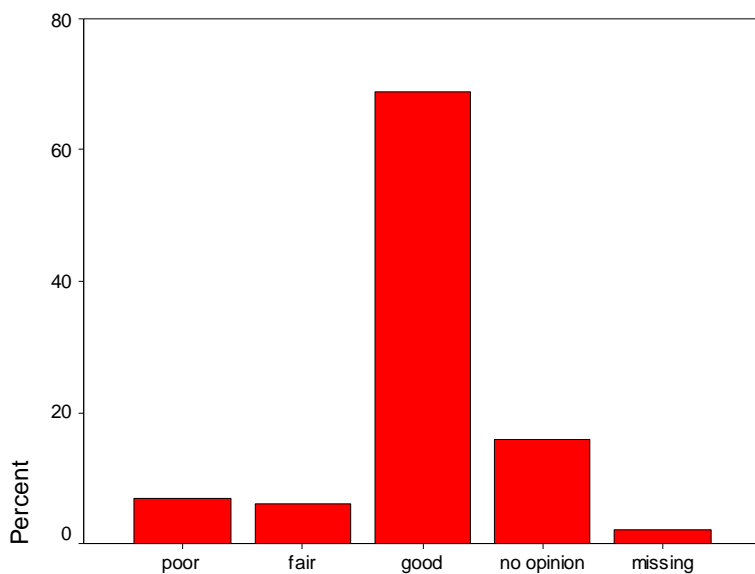
Pie Chart showing Residents who have heard of PPPs, (Adopt-a-Light, NCBDA, Street Beautification Projects)

Source: Author 2008

6.5.4 Quality of Services provided by the PPPs

Of the respondents who had utilized seen the services provided for by the PPPs, 71 percent felt that the services so provided were good and better now than when they were provided for by the Council. 18 percent had not utilized the services, 9 percent had no comment while 2 percent did not respond as illustrated in Figure 6.5.

Figure 6.5: Quality of Services provided by the PPPs



Bar Chart showing Quality of Services Provided by PPPs

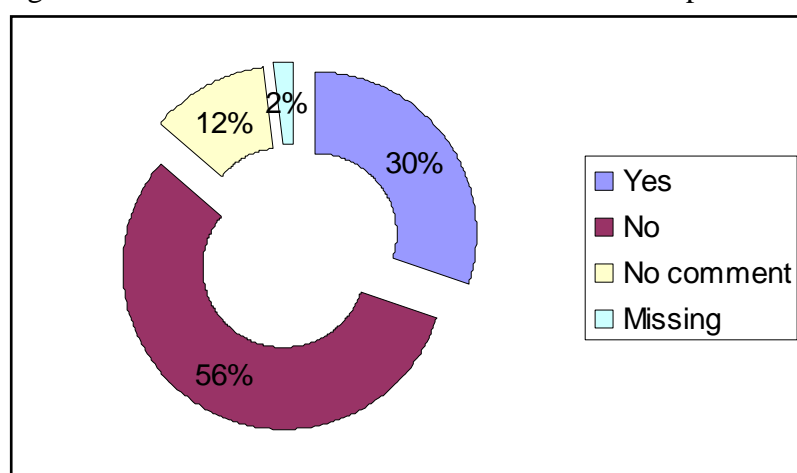
Source: Author 2008

This finding substantiates as stated elsewhere in this study that partnerships provide practical responses to the deficiencies of local authorities. The services are utilizable and are of good quality.

6.5.5 Residents who are Members of Partnerships or Neighborhood Associations

Figure 6.6, demonstrates that a mere 30 percent of the respondents are members of a Neighborhood Association. 56 percent did not belong to any, 12 percent made no comment and 2 percent were missing. The finding validates the report under the weaknesses of partnership Institutions that they are elitist and seem to exclude ordinary citizens and the disadvantaged from their membership

Figure 6.6: Residents who are Members of Partnerships or Neighborhood Associations



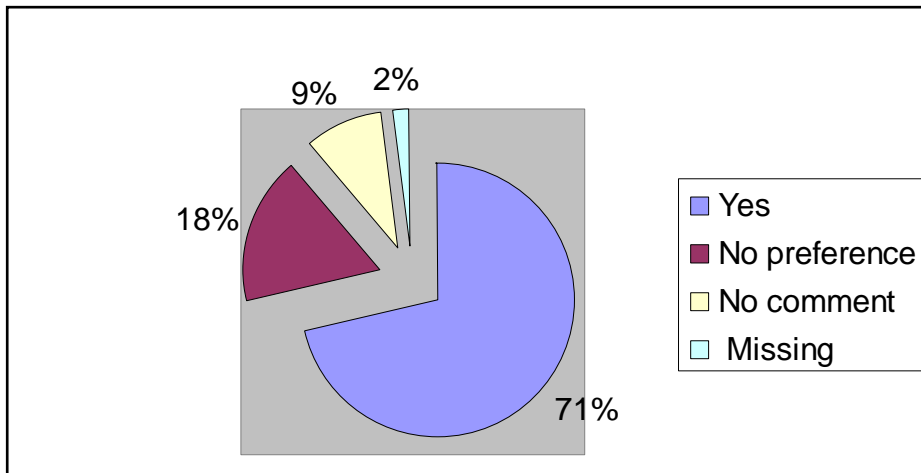
Pie Chart showing Residents who are Members of Partnerships or Neighborhood Associations

Source: Author 2008

6.5.6 Residents Preference for Partnerships

71 percent of the respondents would be happy to see more partnerships in urban service delivery as demonstrated in Figure 6.7. They acknowledged that the services provided by the PPPs were by far much better now than when they were provided for by the Council. 18 percent had no preference for partnerships in urban service delivery, 9 percent had no comment and 2 percent were missing

Figure 6.7: Residents Preference for Partnerships



Pie Chart showing Residents Preference for Partnerships

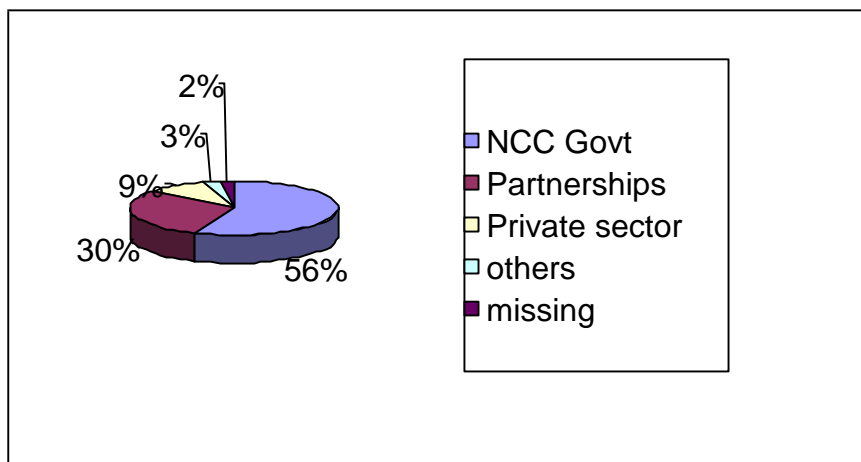
Source: Author 2008

The finding substantiates the fact that the capacity for the involvement of partnership institutions is large as stated in the literature review. Partnership Institutions in Kenya are fairly young and there is great potential for their development and involvement.

6.5.7 Sector Best Placed to Provide Urban Services

Figure 6.8 indicates that of the respondents interviewed, 56 percent were of the opinion that the NCC and the Central Government are best placed to provide urban services. 30 percent were of the opinion that partnerships are best placed to provide the urban services whereas 9 percent indicated the private sector, 3 percent indicated others and 2 percent were missing. The finding confirms the concerns that partnerships and other kinds of governance should not replace or usurp the roles of governments. Governments should still play a central role in service provision.

Figure 6.8: Sector Best Placed to Provide Urban Services



Pie Chart showing Sector Best Placed to Provide Urban Services

Source: Author 2008

6.6 Synthesis of Findings

As earlier stated in the Literature Review and in chapter 4, Service Delivery in the City of Nairobi is plagued by a myriad of problems and is incapable to provide the required urban services. NCC is unable to maintain the existing infrastructure for urban service delivery or to invest in the expansion of existing or the development of new infrastructure.

Findings from the study indicate that the current institutional framework that exists for the involvement of PPPs is haphazard with each partner engaged in a different format. NCBDA is engaged through an MOU, Adopt –a-Light by a contract while the partners involved in street and open space beautification are engaged through the issuance of licenses. MOUs do not provide security and may be difficult to enforce or prove in a court of law. On the other hand, licenses

also suffer the same fate as they can be revoked by the licensor should he need to, as the licensee only enjoys the privileges accorded to him by the license at the pleasure of the licensor. On the other hand, if due care is not taken in their preparation may be subject of litigation as is the case with the contract between the Council and Adopt-a-Light as discussed earlier in this chapter.

Further, the framework limits participation of partners in policy formulation as illustrated in the existing institutional framework, Figure 2.1. Most of the PPPs entered into are negotiated at the Council level. In addition, a national policy on the involvement of PPPs in urban service delivery is not clear. Unlike Partnership institutions in the developed world, and in South Africa, the local partnership institutions lack government support in terms of finance, appropriate policy and institutional frameworks. This has hindered the evolution of these PPP's into large scale urban service providers.

Findings from the study also indicate that NCC is unable to provide adequate urban services for its populace. In addition, the services provided are of poor quality. 80 percent of the population is of the opinion that the provision of public toilets by NCC is poor, 57 percent and 58 percent respectively are of the view that the street lighting and street and open spaces beautification services provided by NCC are of poor quality. The existing demand for urban services is not met. As a result, PPP's emerged to fill this gap in the provision of urban services, including PPP's namely NCBDA for the provision of public toilets, Adopt-a- Light in the provision of street lighting and various licensees in street and open spaces beautification.

The study has been able to establish that the quality of services improved dramatically when the partnership got involved in the provision of the service. 71 percent of the respondents were of the opinion that the services being provided for by the PPPs was better than when they were provided for by the Council. They also felt that the service was provided far more efficiently under the partnership.

Further findings from the study indicate that the partnership are simplistic in scope and operation and serve a localized area and address specific problems. NCBDA only operated within the confines of the CBD. Adopt-a-Light was initially to provide the services on specific streets namely, Uhuru Highway, Chiromo Road and Waiyaki Way. The License holders for street and open spaces beautification are confined to small pockets of open spaces or roundabouts.

Only 30 percent of the respondents are members of partnerships or neighborhood associations. A majority 56 percent do not belong to any association or partnership. This confirmed the statement in the literature review that membership to partnerships and to neighborhood associations tend to be exclusive and elitist in some cases.

In addition, the local PPP's are operating in an environment that does not have a regulatory framework to oversee and monitor PPP programs, standards as well as accessibility of such services by urban poor. This is unlike their counterparts in the USA as discussed by Karpova, (2003) in the literature review. The importance of the regulatory framework cannot be understated, as affirmed in the literature review.

Findings from the study confirmed that the NCC and the Central Government are best placed to provide urban services, followed by the partnerships, the private sector and others in that order. This may be attributed to the fact that central and local governments have access to resources and can fund large scale urban services. In addition they are required by law to provide services to its urban citizens. This is in line with the World Bank, (2000) that central and local governments must not abdicate their responsibility of providing services to its citizenry but must remain at the forefront, not only in providing the services but in policy formulation and in regulatory frameworks.

The findings from the study affirm the study assumptions that urban service delivery will continue to decline unless the concept of PPPs is entrenched in the local government system. The study has shown that the CCN on its own provided poor quality services but when the PPPs were involved, the quality of service improved. In addition, the existing institutional framework for the support of PPPs is inadequate and may be responsible for the inadequate involvement of PPPs in urban service delivery. The study has proposed a new institutional framework in the hope that the existing framework can be modified to take the changes so as to accommodate PPPs on a large scale in efficient and sustainable urban service delivery.

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

This is the last chapter of this study and it provides a conclusion to the study and proposes some recommendations that should be adopted for the better involvement of PPPs in urban service delivery in the city of Nairobi. It also indicates areas for further research

7.1 Conclusion

From the study, it can be concluded that there exists a strong case for the involvement of PPP's in urban service delivery. It has been deduced from the study that local authorities on their own are unable to provide adequate urban services to the ever increasing urban residents. This has been attributed to a host of factors that include lack of adequate finances, poor financial management and audit practices, rent seeking behavior, poor governance and low caliber of elected Councilors, limited legal framework, mismanagement of the human resource, unlimited and planned private sector participation amongst others.

It can also be concluded that where Public Private Partnerships have been allowed to participate in urban service delivery, the nature, level of quality of service improved, even though the projects implemented were on a small scale. The Partnership has been able to provide sanitation

services through the provision of public toilets, enhanced street lighting and enhanced beauty and image of the streets and open spaces through the beautification program. They have also introduced innovative ways of delivering urban service. They also provide a platform where private sector finances can be accessed and utilized in urban service delivery in addition to other advantages as stated in the study. This is despite working in a hostile environment; an environment that does not provide the relevant institutional framework for their participation.

The scope for the involvement of PPP's is huge, with many sectors in urban service delivery still unexplored or tested. PPP's can be very instrumental in changing the face of urban service delivery in the city of Nairobi, if allowed to operate to their full potential. It is important that the government be at the fore front in putting in place adequate policy and institutional framework for the involvement of PPP's in urban service delivery, with the aim of enhancing PPP participation in urban service delivery. The study has shown PPP's can work. They are novel, and do push local authorities to new levels of accountability and service delivery. PPP's are the way of the future in the provision of adequate urban service delivery.

7.2 Recommendations

This study has made some proposals on the way forward for the better involvement of PPPs in urban service delivery. The study proposes a new proposed Institutional Framework that proposes the involvement of all actors in the urban environment namely; private sector groups, local authorities, local communities and CBO's. Apart from being consumers of the service,

they play a central role in the policy formulation processes. They can be involved through consultative processes in arriving at appropriate policies that are effective in achieving the desired levels of urban service delivery.

The responsibility for deciding on natural policies and securing their implementation was held to rest with government. Typically policy formulation requires the effective action by the head of state, the executive or cabinet or ministers and by the administration /civil service. There are capacity needs also among other stakeholders in the policy formulation process (Corkery J. *et al*, 1997). In the proposed framework, local authorities will remain at the forefront as implementers of these policies as well as service providers. However, they will now accommodate the other actors as policy implementers and service providers. Local authorities will also have a clearly defined and structured regulatory role over the PPPs involved in urban service delivery.

The proposed framework seeks to change governance structures to accommodate all stakeholders in policy formulation and implementation. This is essential as it provides the diverse elements in a society to influence and enact policies and decisions concerning public life, economic and social development. Not only the formulation of good policies, but the capacity to formulate and implement them effectively is essential to sustainable development.

The proposed framework seeks to replace centralized decision making with more pluralistic forms in which non state actors are accorded a more significant role in the formulation and implementation of policy (Corkery J. *et al*, 1997). The roles of each actor and their responsibilities, and legitimate expectations will be clearly defined. The capacities needed by all

actors will be identified and articulated to enable them make optimum contribution. The proposed framework is illustrated in Figure 7.1

Figure 7.1: Proposed Institutional Framework

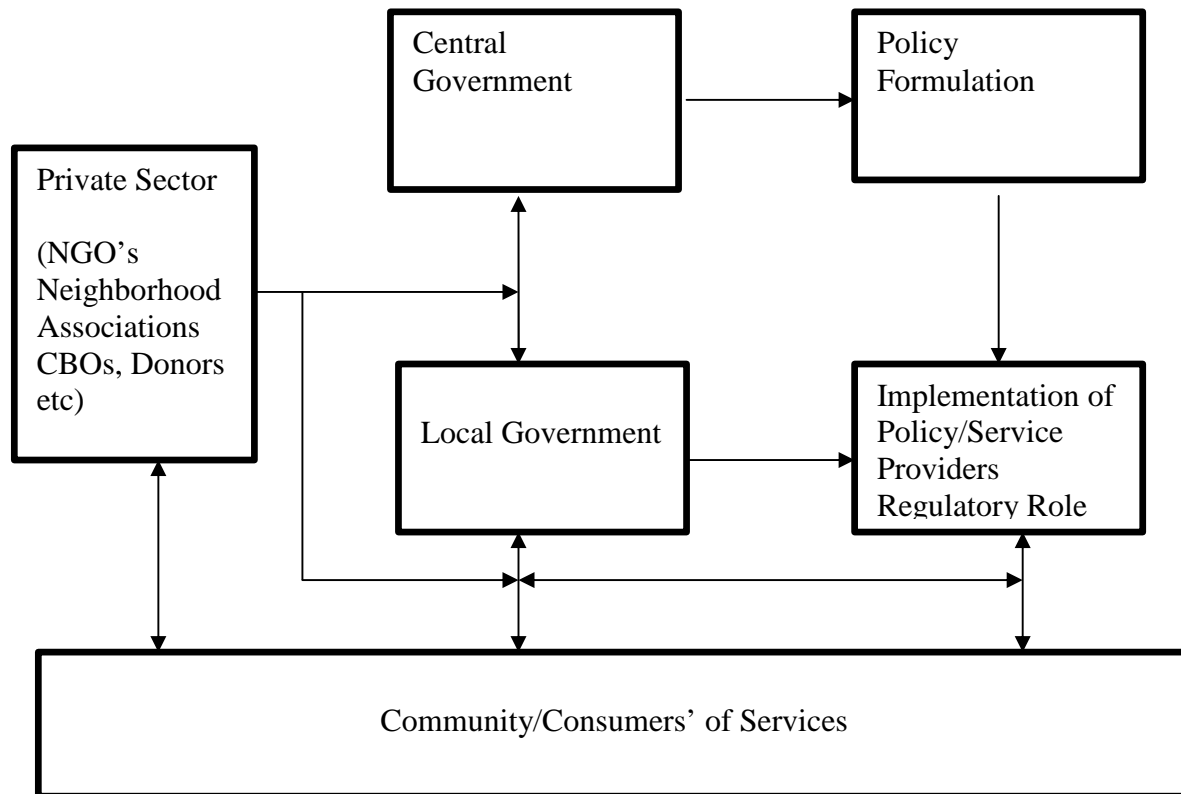


Figure showing the Proposed Institutional Framework

Source: Author, 2008

The above structures coupled with strong political and financial support are essential in transforming the nature and scale of partnership operations from small scale simplistic institutions into large scale multiple urban service providers that would be more beneficial to the urban population.

Further, the study proposes the enactment of an appropriate legal framework that will govern the activities of PPPs in urban service delivery. The legislative framework should clearly define and address aspects of:-

- § Define who a partner is
- § Define parties to a partnership
- § The modes of partnering
- § The Scope of the Partnership
- § The term of the partnership
- § Financing Options
- § Revenue and Risk Sharing
- § Issues of Equity- Provision of services to the poor and the disadvantaged groups. To ensure inclusion and provision of service to all
- § Regulatory affairs-to oversee and moderate the affairs of PPPs in the urban environment and to protect public interest.
- § Dispute resolution mechanisms- where parties fail to agree
- § Procurement Procedures- to enhance transparency in the award of PPP contracts

A sound legal framework will protect the interests of the partners and will create confidence in the partners and enhance the scope for their participation as well as providing the base upon which they can spring up and evolve into large scale providers of urban service.

In addition, the study proposes the establishment of a regulatory body to oversee the activities of PPPs, to advise on matters such as equity and payment of fees for services, non exclusion of the disadvantaged groups and ensuring that standards are maintained among others.

7.3 Further Areas of Research

PPPs are a fairly new phenomenon in Kenya and have now emerged in other urban areas in urban service delivery. They have also enhanced their involvement in urban service delivery in the city of Nairobi. They are involved in the provision of urban services such as bus park management, garbage collection and provision of social services. It would be of interest to establish how these PPPs are being entered into and managed and the policy framework that exists for their involvement. Proposals are also being made to expand PPP involvement in the provision of physical infrastructure such as roads and water services. This would provide good areas for further study.

CITED REFERENCES

Ansoff, I (1990), *Implanting Strategic Management*, Ansoff Associates International, Dallas.

Anttiroikp, A.V and Kainulainen, I (1998), *Analyzing Change in Local Government. Perspective of the Regime Theory and the Growth Machine Theory*, <http://www.uta.fi/kuaran/regime.html>.

Accessed on 24th October 2004

Berry Jim et al, (1993) '*Urban Regeneration, Properly Investment and Development*'. Chapman Hall, London

Bnet Business Directory, (2009),

<http://dictionary.bnet.com/definition/public/public+private+partnership/html>, Accessed on 24th

June 2009

Blunt, P and Jones, M.L (1993), *Managing Organizations in Africa*, Readings Cases and Exercises, Walter De Gruyler, Berlin.

Boylan, P.J (2004), *General Systems Theory*, <http://www.city.acc.uk?artspo/theorymgt.html>.

Brown, R (2004), *What Should public Private/Partnership mean?* , Accessed 8th October 2004

<http://www.publicnet.co.uk/publicnet/fe991117.htm>. Accessed 22nd April 2004.

Canadian Council for PPP (2003), <http://www.ppp.council.ca>, Accessed on 8th October 2004

Center for Community Networking Research, <http://www.ccnr.net>, Accessed on 24th June 2009

Chana, T. S & Mbogua, J.P (1996), *Sector Review on Capacity Building For Metropolitan Governance of Nairobi*, UN-Habitat, Nairobi.

Cointreau, S (1994), *Private Sector Participation in Municipal solid Waste Services in developing countries*, UMP-Working Paper series Number 4 World Bank /UNDP/UNCHS, Washington DC.

Corkery J, Land, A and Osborne, D (1997), *Government and Policy Formulation*, Maastricht. ECDPM , www.ecdpm.org/web_ECPDM. Accessed on 14th June 2005

Couch, C (1990) *Urban Renewal, Theory and Practice*, Macmillan , London.

Damachi, U.G (1978), *Theories of Management and The Executive in the developing World*, The Macmillan Press, London.

Edgar Pieterse, www.localgov.za Accessed on 7th March 2003

Elander, I (2002), *Partnerships and Urban Governance*, UNESCO. Blackwell Publishers, Oxford.

Fadamula, F (2002), *Cross Sector Partnerships and Community involvement in reversing Urban Decay, A comparison*, Unpublished Senior Fellowship Program, John Hopkins University, Boston.

Far Vacque, C and McAuslan, P (1992), *Urban Management Program Reforming Urban Land Policies and Institutions in Developing countries*, World Bank, Washington DC.

Gidman, P, Blore, I., Lorentzen, J, Schuttenbelt, P.P (1995), *Public Private Partnerships in Urban Infrastructure Services*, UMP- Number 13. World Bank /UNDP/UNCHS

GOK, (2002), *National Development plan 2002-2008 Effective Management for sustainable. Economic Growth and poverty Reduction.*, Government Press, Nairobi.

GOK, (1994), *Sessional Paper No 1of 1994, Recovery and Sustainable Development*, Government Press, Nairobi.

Heylighen, Fetal (1992), *What is Systems Theory?'* <http://pespmc1.vub.ac.be/SYSTHEOR.html>. Accessed on 8th October 2004

Home, R. K (1982), *Inner City Regeneration*, E. C. F. N. Spon Press Ltd, London.

Karpova, K (2003), *Public Private Partnerships (PPP) in the United States, A Snapshot of Recent Developments and New Directions*,

http://www.ip3.org/pub/publication2002_010.htm.] Accessed on 28th May 2004

Karuga, J (1993), *Action Towards a better Nairobi Report and Recommendation of the Nairobi City Convention*, UN-HABITAT, Nairobi.

Kasuku S.O (2001), *Provision of Pedestrian Transport Facilities in Nairobi City, The case of Jogoo Corridor*, Unpublished (MA Thesis), University of Nairobi, Nairobi.

Kenya Anti Corruption Commission, (2006), *Examination into the Systems Policies and Procedures of the City Council of Nairobi*, Kenya Anti Corruption Commission, Nairobi.

Kingoriah, G.K (1980), *Policy Impacts on Land Use Patterns in Nairobi, Kenya 1899- 1979*, Unpublished (PHD) Thesis, Indiana State University, Terre Haute, Indiana.

Lamba, D ((1994), *NAIROBI'S ENVIRONMENT, A Review of Conditions and Issues*, Mazingira Institute, Nairobi.

Lamba, D & Smith D. L (2000), *Social Transformation In a Post Colonial City*, Mazingira Institute. Nairobi.

Lauria , M (1996), *Reconstructing Urban Regime Theory, (Regulating Urban Politics in a Global Economy)*, Sage Publications, Thousand Oaks.

Lincfield, N (1988), *Economics in Urban conservation*, Cambridge University Press, New York.

Lucas, H (1978), *Companion to Management Studies, A Survey of Ideas, Theories and Concepts Relevant to Management*, Heinemann, London..

Mossberger, Stoker (2001), *Urban Regime Theory*, Urban Affairs Review, Vol 36, No 6, July 2001, 810-835, Sage Publications, Thousand Oaks.

Mazingira Institute (1994), *Nairobi's Environment*, Mazingira Institute, Nairobi

Property World Kenya, <http://www.propertyworldkenya.com/news>. Accessed on 24th June 2009

PPP Council of Canada, <http://www.pppcouncil> Accessed on 24th May 2004

Pacione . M (1990), *Urban problems. An Applied Urban Analysis*, Routledge press, London.

Polese. M and Stren, R. (2000), *The social sustainability of Cities; Diversity and the Management of change*, University of Toronto Press, Toronto.

Rubin., J.S et al (2001), *The Los Angeles Community Bank: The Possible Pitfalls of Public Private Partnerships*, Journal Of Urban Affairs, Vol 23 Number 2, Pages 133-153, Urban Affairs Association.

Rondinelli. D.A (1990, *Decentralizing Urban Development Programs, A Framework for Analyzing Policy*, Policy and Research series. USAID, Washington DC.

Smith, D.L & Lamba, D (1998), *Good Governance and Urban Development in Nairobi*, Mazingira Institute, Nairobi.

Smoke, P.J. (1994), *Local Government Finance in Developing Countries, The Case for Kenya*, Oxford University Press, Nairobi.

The World Bank, (2000), *Cities in Transition*, World Bank, Washington DC.

The World Bank, (2001), *World Bank Regional Reports, Africa Region*, World Bank Washington DC.

Thomas, E (2002), *Institutionalization of Public Private Partnerships*,
http://www.ip3.org/pub/publication2002_018.htm Accessed on 28th May 2004

UN- Habitat (2002), *City Development Strategies*, UN-Habitat, Nairobi.

UNCHS (Habitat) (2001), *Cities*, UN-Habitat, Nairobi.

UNCH (1993), *Public Private Partnerships in Enabling shelter strategies*, UN- Habitat. Nairobi.

UNDP (1997-2001), *Urban Management Program, Phase Three report*, UNDP

UN-Habitat (2002), *Legal Democracy and Decentralization in East and Southern Africa*, A Publication of the Global campaign on Urban Governance, UN-Habitat, Nairobi

Water and Sanitation Program (2004)

'[Http: //www.nairobist.com/mwik/index.php.file/publicfacilities](http://www.nairobist.com/mwik/index.php.file/publicfacilities)', Accessed on 20th June 2009

Yahya S.S (1976), *Urban Land Policy in Kenya*, Unpublished (MA Thesis) University of Nairobi, Nairobi.

APPENDIX A

University of Nairobi

School of the Built Environment

Department of Architecture and Building Science

P.O. Box 30197

Nairobi

Research Project: Evaluation Public Private Partnership Framework in
Service Delivery, City of Nairobi

Researcher: Mbagaya A.

This study is for academic purposes only and any information given will not be used for any other purpose. Any information given to the researcher will be highly appreciated and treated with utmost confidentiality.

Questionnaire

Part A

1) Name

Age

Sex

3) Household size/Institution size/ nature of business

4) Level of Education

- i) None
- ii) Primary
- iii) Secondary
- iv) University
- v) Other specify
- vi) No information

5) Occupation?

6) Income per month?

7) How long have you worked in this neighborhood?

8) Are you a member of any partnership or neighborhood association?

9) Which one?

10) When did you join?

11) Why?

12) How did you get to know of the partnership?

14) What does your organization do?

15) Are you involved in the above activities?

If yes, How?.....

16) Are you aware of the involvement of other members of the organization?

17) Do you think that your programs are sustainable in future

If Yes How?.....

If No Why?

18) In your opinion. Do you think the organization has met its objectives?

i) Yes

ii) No

If No, why?

19) What is your assessment of the following urban services provided by NCC

or Government?

Service	Poor	Satisfactory	Excellent
Public Toilets			
Street Lighting			
Open Spaces beautification			

20) What, according to you is the best way to provide and manage urban services?

Urban Service Delivery and Management

21) Name the services your organization provides

.....

22) Who maintains the service?.....

How?.....

How often?

Who provides security?.....

Comment on the standard of the service.....

23) Is it a free service?

(i) Yes

(ii) No

If No; how much do you pay for it?

24) In your opinion do you think the organization has met her objectives?

i) Yes

ii) No

If no, why?

25. What problems have you encountered while consuming their services?

.....

26. What other services would like to see your organization or any other public

Private partnership provide?.....

Why?

27) What has been the impact of the projects on:-

- Partnership members?
- Non-members?
- City environment?
- Nairobi city Council?

28) Did the project of the partnership address your need?

i) Yes How?.....

ii) No..... Why?.....

29. Any other comment.....

Nairobi Central Business District Association

30) Have you heard of NCBDA?

Yes / No

31) When and how did you hear about it?

32) In your opinion, what do they do?

33) Have you seen any of their projects? Yes/No

If yes, which ones?

34) Have you ever utilized their services? Yes/ No

if yes, which ones.

What did you think about the quality of the service?

35) What do you think about what NCBDA is doing? Good or bad?

If good, why?.....

If bad, why?.....

STREET LIGHTING- ADOPT A LIGHT

36) Have you heard of Adopt-a-Light

Yes / No

37) When and how did you hear about it?

38) In your opinion, what do they do?

39) Have you seen any of their projects? Yes/No

If yes, which ones?

40) What did you think about the quality of the service?

41) What do you think about what Adopt-a- Light is doing? Good or bad?

If good, why?.....

If bad, why?.....

OPEN SPACES/STREET BEAUTIFICATION

42) What is your opinion on the state of open spaces?

1. Very good
2. Good
3. Poor

4. Very poor

43) Do you think the Council is doing enough?

1. Yes

2. No

44) Have you seen any beautification done by other persons other than the Council?

1. Yes

2. No

If yes, where.....

45) What is your opinion of the services done by Adopt-a-Light, NCBDA and those companies beautifying the open spaces?

1. Good

2. Fair

3. Poor

4. No opinion

46) Who in your opinion is best placed to provide urban services?

1. NCC

2. Partnerships

3. Private sector

4. Others

APPENDIX B

University of Nairobi
School of the Built Environment
Department of Architecture and Building Science
P.O. Box 30197
Nairobi

Research Project: Evaluation Public Private Partnership Framework in
Service Delivery, City of Nairobi

Researcher: Mbagaya A.

This study is for academic purposes only and any information given will not be used for any other purpose. Any information given to the researcher will be highly appreciated and treated with utmost confidentiality.

QUESTIONNAIRE FOR NCBDA

1) Name of Respondent.....

2) Position.....

3) When was the organization formed?.....How?.....

4) Under what statute?

5) What were/are its objectives?.....

6) How were they derived?.....

7) What is the current membership?.....

8) What is the criterion for membership?.....

9) Who are your partners?.....

Partner Contribution

10) How do you partner with the NCC.? Under what statutes or policies?.....
.....
.....

11) List the urban services you have developed or provided since inception.....
.....

12) How are these services managed?.....

13) How is the association member involved in these activities?

i) In planning.....

.....

ii) Technical.....

.....

iii) Financial

.....

iv) Managerial

.....

14) How does the association relate with

NCC?.....

Non-members?.....

GOK?.....

Others (specify)?.....

15) What capacity do you have to effectively run your affairs? (Managerial, Technical & Financial).....

16) What are your achievements to-date?.....

17) What problems do you face?

From inception?.....

Daily operation?.....

18) Suggest ways in which you think these problems can be solved?.....

.....

19) In your opinion, what do you think to be the best way of involving partnerships in urban service delivery?.....

.....

20) At what levels do you think that private sector partnerships should be involved?..

.....

POLICY IMPLICATIONS

21) What is the current state of policy at City Hall in relation to partnership institution activities?

- i) Silent []
- ii) Inhibitive []
- iii) Supportive[]

Give details.....

22) How does the partnership relate with NCC?.....

.....
.....

23) Do your activities affect NCC in any way?

If yes, how?.....

24) What do you think NCC should do to enhance partnership institution performance?

.....

25) How is your partnership institution linked to other partnership institutions, CBO's, Neighborhood Association, in Nairobi?

Name How?

1.....

2.....

3.....

4.....

26) What problems do you think your partnership institution poses to her neighbors (non-members)?.....

.....

27) In your opinion, have you achieved your objectives?.....

To what extent.....

28) What other areas of urban service delivery do you see the potential for your involvement?.....

.....

29) Who regulates your activities and the standard of services that you provide?.....

How?.....

30) Any other comments.....

APPENDIX C

University of Nairobi
School of the Built Environment
Department of Architecture and Building Science
P.O. Box 30197
Nairobi

Research Project: Evaluation Public Private Partnership Framework in
Service Delivery, City of Nairobi

Researcher: Mbagaya A.

This study is for academic purposes only and any information given will not be used for any other purpose. Any information given to the researcher will be highly appreciated and treated with utmost confidentiality.

QUESTIONNAIRE FOR ADOPT A LIGHT

10) Name of Respondent.....

11) Position.....

12) When was the organization formed?.....How?.....

13) Under what statute?

14) What were/are its objectives?.....

15) How were they derived?.....

16) What is the current membership?.....

17) What is the criterion for membership?.....

18) Who are your partners?.....

Partner Contribution

10) How do you partner with the NCC.? Under what statutes or policies?.....
.....
.....

11) List the urban services you have developed or provided since inception.....
.....

12) How are these services managed?.....

13) How are you involved in these activities?

i) In planning.....

.....

ii) Technical.....

.....

iii) Financial

.....

iv) Managerial

.....

14) How does the association relate with

NCC?.....

GOK?.....

Others (specify)?.....

15) What capacity do you have to effectively run your affairs? (Managerial, Technical & Financial).....

16) What are your achievements to-date?.....

17) What problems do you face?

From inception?.....

Daily operation?.....

18) Suggest ways in which you think these problems can be solved?.....

.....

21) In your opinion, what do you think is the best way of involving partnerships in urban service delivery?.....

.....

22) At what levels do you think that private sector partnerships should be involved?..

.....

POLICY IMPLICATIONS

21) What is the current state of policy at City Hall in relation to partnership institution activities?

- iv) Silent []
- v) Inhibitive []
- vi) Supportive[]

Give details.....

22) How does the partnership relate with NCC?.....

.....
.....

23) Do your activities affect NCC in any way?

If yes, how?.....

24) What do you think NCC should do to enhance partnership institution performance?

.....

25) How is your partnership institution linked to other partnership institutions, CBO's, Neighborhood Association, in Nairobi?

Name

How?

- 1.....
- 2.....
- 3.....
- 4.....

26) What problems do you think your partnership institution poses to her neighbors (non-members)?.....
.....

31) In your opinion, have you achieved your objectives?.....

To what extent.....

32) What other areas of urban service delivery do you see the potential for your involvement?.....
.....

33) Who regulates your activities and the standard of services that you provide?.....

How?.....

34) Any other comments.....

APPENDIX D

University of Nairobi
School of the Built Environment
Department of Architecture and Building Science
P.O. Box 30197
Nairobi

Research Project: Evaluation Public Private Partnership Framework in
Service Delivery, City of Nairobi

Researcher: Mbagaya A.

This study is for academic purposes only and any information given will not be used for any other purpose. Any information given to the researcher will be highly appreciated and treated with utmost confidentiality.

QUESTIONNAIRE FOR NCC

1. Tell me about the Council and Services you provide .What are some of the challenges you encounter in the provision of services to the residents of the city?

2. What is the state of policy regarding public private partnerships in urban service delivery in the city of Nairobi?

3. Comment on the type of partnerships that you have with

NCBDA.....

Adopt-a- Light.....

Partnerships in open spaces and street beautification programs.....

4. What are the contributions of each partner to service delivery and to the Council?

5. What statutes or policies govern your partnerships?

6. What is your contribution to these partnerships?

7. At what level do you allow them partner?

8. What specific services do you allow them to partner?

9. Have you seen any projects successfully implemented by partnership institution?
10. Which ones?
11. How do you consider their level of service delivery?
12. What are some of the benefits accrued to you from involving partnership institution?
13. What are some of the problems you have encountered in dealing with partnership institution?
14. Suggest ways in which these problems can be overcome
15. What in your opinion is the way forward for sustainable provision of urban service delivery?

CLERKS DEPARTMENT

16. Tell me about the Council and Services you provide .What are some of the challenges you encounter in the provision of services to the residents of the city?
17. What are the policies governing partnership institution in Urban Service Delivery in the city of Nairobi?

2) Are they adequate?

- If yes, how?

- If No, why ?

18. At What levels does City Hall intend to allow partnership institution?

19. What Institutional framework has the Council put in place to effective participation and involvement of partnership institution?

20. What statutory and regulatory measures do you have in place to ensure

- i) Consumers are protected from exploitation by partnership institution?

- ii) Minimum standards are maintained for purposes of safety and environment protection?

21. What benefits do you intend to derive from these partnership institution arrangements?

22. What problems do you envisage from the involvement of partnership institution?

23. How do you intend to mitigate these problems?

24. What is the way forward?

25. Any other comments.