

# Defining Priority Complex Problems in Nairobi City:

Insights from the ACRC Workshop on Health, Nutrition and Wellbeing and Structural transformation domains.

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## About SDI-K/Muongano Wa Wanavijiji

SDI-Kenya is a non-profit organization that supports the urban poor to advocate for inclusive cities, through Movement building, agenda setting and precedent setting in community urban development. Our advocacy goal is Making slums visible.

SDI-Kenya is dedicated to providing technical support to Muungano wa Wanavijiji, the National Movement of the urban poor in Kenya. Founded in 1996, Muungano wa Wanavijiji is a powerful movement that unites local groups from Cities and towns to advocate for policy changes and engage in dialogue. Their aim is to improve the quality of life for slum dwellers and urban poor in Kenya through, policy advocacy and communication with the federal, state, and municipal governments, as well as civil society and private sector groups.

SDI Kenya shares Muungano wa Wanavijiji's vision of creating inclusive cities, where low-income communities have access to adequate housing and services and can live with dignity. Building on our expertise and experience, we work towards this vision through movement building, agenda setting, and precedent setting in community urban development. Our slogan, "**Building inclusive cities for the urban poor,**" reflects our commitment to creating equitable and sustainable urban environments for all.

As an affiliate of SDI, which operates in over 35 countries in Africa, Asia, and Latin America. SDI-Kenya is part of a global network of organizations

working to empower slum dwellers and improve the quality of life in informal settlements.

Muongano wa Wanavijiji, actively encourages its members to join savings organizations in order to address the unique challenges faced by informal settlement-based groups. Groups operate as a catalyst for people's collective activity in this way, rather than acting in place of their communities.

Muongano supports and organizes these groups to advocate for community-wide issues such as securing land rights and improving housing, water, sewage, and electricity services. The federation also supports youth groups focused on climate change action by building networks and strengthening their capacity to catalyze collective activity in their communities.

Muongano serves as a catalyst for collective action, helping communities communicate and advocate for their rights. To address the issues faced by informal settlements, Muongano follows a community-led data collection model, which helps deepen the understanding of settlement-related challenges, overstretched services, and infrastructure. This model helps identify the type and level of services needed to improve the settlement's functioning.

SDI-Kenya aims to transform slums into resilient neighborhoods and inclusive cities through a women-led, bottom-up change agenda. This involves securing tenure and increasing access to basic services, housing, and livelihoods.



*(Kimani Joseph- Executive Director of SDI Kenya)*

## Key messages that inform SDI-Kenya/Muungano Wa Wanavijiji's work



- To collaborate with both state and non-state actors for access to basic services, land tenure, decent livelihoods and housing.



- To collaborate in strengthening our agenda setting and precedence setting



- Through policy advocacy and community engagement, SDI-Kenya is improving the quality of life for slum dwellers and urban poor in Kenya.



- The organization leverages its expertise and experience to advance the agenda of inclusive cities in Kenya.

### **The transformation we seek**



**Good economic livelihoods**



**Improved health and well being**



**Quality education**



**Upgraded, climate-friendly settlements and housing**



**Safety and security in settlements**



**Pro-poor data-driven development**



**Institutionalized collaboration between the urban poor and government**



**Secure land tenure for the urban poor**

## About African Cities Research Consortium

ACRC is a consortium of various organizations with expertise in research, policy work, community engagement and mobilization, and government engagement to generate evidence that will lead to a project that can be implemented. The project is currently in 13 African cities: Kampala, Lilongwe, Modagishu, Harare, Nairobi, Addis, Bukavu, Dar es Salaam, Freetown, Lagos, Khartoum, Maidiguri and Accra.

ACRC seeks to collaboratively and jointly build all-inclusive cities with a human face rather than an infrastructure face to respond to citizens' needs. ACRC was founded to catalyze reforms that can enable transformation within African cities and generate evidence that allows stakeholders to communicate with one another. A silo approach has characterized urban development in African cities. As a result, ACRC will help to break down those silos by producing robust new knowledge that enables stakeholders to;

- 1 Understand the political functioning in our cities, and how political systems undermine or promote development.
- 2 Use that political understanding to shift the conversation into cities as systems as a prerequisite to addressing complex development challenges.
- 3 Use that theoretical understanding to develop pro-development policies.



*(Dr. Martin Atela is the ACRC uptake director and works for PASGR, a research-based NGO located in Upper Hill.)*

This research focuses on four domains in Nairobi, i.e., housing, structural transformation, health, nutrition & well-being, and safety & security, with some cross-cutting threads on political settlements, city of systems, and uptake. Domains are interconnected thematic areas or areas of interest that inform ACRC's work/motivation and are unique to each city.

The research investigates the political analysis (political settlements- PS) within a city, how decision-making is informed, and how policymakers might affect change. In addition, it seeks to investigate how politics influences the development and investment decisions inside a city and how this might be impacted to promote positive change within a city. Political settlements examine the domains' outcomes (built environment, economic, and social) and the challenges resulting from the domains' output by identifying priority complex problems.

This program is keen to address local priorities that will foster good policy implementation and promote research and interventions in Nairobi. It aims to identify prospective strategies that will allow close collaboration with strategic stakeholders and decision-makers. As a result, the stakeholders brought on board during the workshop on 19th October 2022 will influence the components that can be accommodated within the research, address the research needs, and help redefine the identified priority complex problems to alleviate poverty and unlock economic transformation.

*"Collaboration with our stakeholders is required to translate this research into action that can transform our communities and cities. This research has provided an opportunity to collect information that can be used as evidence to help communities solve the challenges they face."*

# Structural transformation domain

## Introduction

Structural transformation refers to the shift of workers from low-productive sectors to high-productive sectors. The domain will focus on enterprises and industries. It seeks to identify people in Nairobi who have decent jobs with better pay by profiling the current state of affairs in the city.

## Research objective

Its overall objective is to determine the drivers of structural transformation. It seeks to analyze how workers can move from their current income level to the next level within the same sector and how one can diversify to another sector to increase profitability.

## Research Questions

1. What are the patterns and drivers of structural transformation at the county and the national level?
2. What is the spatial distribution of economic activities in the city, and how it is related to the patterns of structural transformation?
3. What are the drivers and constraints of city-level structural transformation in Nairobi city and adjoining counties?
4. How does the configuration of power within the ST domain and its interactions with national/city political settlements and institutions shape the possibilities of enhancing structural transformation and sustainable development of cities?
5. What are the priority complex problems in this domain?

## Methodology

Both qualitative and quantitative research methods were used in this domain. It analyzed data from;

- KNBS datasets
- Key informant interviews
- Focus group discussions with policymakers, private sector representatives, and state and non-state actors.



*(Joshua Magero is a lecturer at the University of Capetown and leads the structural transformation domain.)*

## Key findings

### Category of firms

A vast majority of the establishments are mostly in the wholesale and retail sector (55%) (5-10 businesses) of the enterprises are in wholesale and retail trade. Only 7% are in manufacturing activities.

### Registration and ownership of firms

Less than half (45%) of the establishments are registered. Many are not registered as formal entities i.e. they lack the necessary business licenses/permits to operate.

About 7 in 10 (74%) enterprises are owned as either sole proprietorships or by families.

### Value addition

For businesses to grow, there has to be value addition. Value addition is greatest in the agricultural sector. However, most enterprises are not engaged in value addition. This means that they sell their products the way they are without improving the quality to make more profits.

### Access to finance

Many firms reported that a lack of sufficient funds is one of the challenges affecting their expansion. When they obtained credit, it was primarily used for working capital. However, 65% of businesses reported they did not require credit. Only 14% believed that credit is too expensive to obtain.

**Access to credit**

Firms mainly access credit from commercial banks (53%), SACCOs (12%), and Microfinance Institutions (11%).

**Location of firms**

Most (68%) of establishments are located on commercial premises. Only a few firms have their locations as market stalls, open market, exhibition, kiosks, open ground with(out) stand, Jua Kali sheds, building sites and road works, or no fixed location. Only about 2% of firms are located at industrial sites.

**Priority areas of assistance**

1. Enhance market promotions
2. Provide an enabling business environment
3. Relax licensing requirements
4. Relax credit conditions
5. Improving access roads
6. Improving water supplies
7. Improving electricity supplies
8. Providing better business sites
9. Providing access to public tender
10. Reviewing land tenure and tenacity laws
11. Conducting an awareness campaign
12. Controlling political disturbances and technological changes
13. Improving access to land

**key drivers of productivity**

1. Firm size (Large firms are more profitable)
2. Profit level
3. Formalization (firms engaged as formal enterprises perform better than the informal)
4. Participation in international trade (firms take advantage of cheap inputs from around the world)
5. Access to credit
6. Skilled labour
7. Access to key facilities
8. Location at an industrial site or commercial premises
9. Spending on research, development, and innovation

**Location of firms**


Less than 5% of establishments in Nairobi are located in industrial sites/economic zones. Those located at an industrial park receive benefits such as reduced energy and rental costs. Most firms in Nairobi are located in commercial premises, with others in kiosks and open spaces.


**Productivity differences based on gender**


Our findings indicate significant differences in productivity (profit levels) based on the gender of the firm's owner. Female-owned businesses are less productive/profitable than male-owned businesses or businesses jointly owned by males and females.




### Constraints to structural transformation


 High cost of doing business (inputs for production and taxes). Cartels in charge of the business community drive the firms' key challenges


 Complicated bureaucracy and regulation- there are too many licensing requirements for one to operate.


 Political interference, Corruption (Informal payments/gifts required by the cartels)


 Inadequate government support services (especially for exporters);

 Tariff and non-tariff barriers; paying taxes and harassment by Ugandan police when exporting or importing goods.

 Competition from large firms (mainly of foreign origin)-second-hand items-kills local industries

 Income disparities-90 per cent of income is in the hands of a few. People do not have the morale to work.

 The capitalist nature of business owners. Employers take advantage of poor workers to enrich themselves. This indicates a lack of sense of community and a lack of social cohesion. Most workers earn daily wages, not salaries.

 General infrastructure problems, transport costs, licenses, packing fees, advertisements, etc

 There is a big challenge of last mile connectivity and traffic jams

### Configuration of Power within the city

The key actors in this domain are the national government, county government, and private sector actors. However, creating an enabling business environment is the mandate of the county government.

There has been interference from the national government. 14 functions fall under the armpit of the county government. The county has control and can only delegate that authority to the national government, but they retain the overall mandate of running the county's affairs.

However, there are intergovernmental relations between the national and the county government. There are overlaps, which are yet to be resolved by the IGRA.

Both governments work together. The devolution structure is not supposed to create silos of government but is meant to be coordinated. A county government is not subordinate to the national government but coordinates.

The administrative structure is still political, but the jurisdictions have been redefined, and the trade policies are still the same. The county government has to align with the national policies as they are not autonomous. There are no inconsistencies with the governance structure.

The legal notice teases out what functions are executed by the county government and which are resident with the national government.

The cost of these functions remains a challenge, as the undue financial pressure from the counties is reflected in the private sector by an increased cost of doing business.



### Priority complex problems

- 1** *PCP 1: High cost of doing business*  
Have policies and interventions to foster a business-friendly environment and reduce business costs.
- 2** *PCP 2: Stakeholder coordination*  
Stakeholders should coordinate their activities and policies to deliver the infrastructure required to boost structural transformation.
- 3** *PCP 3: Enforce accountability for county and national government officials*  
This can be achieved by creating awareness through media and civil society organizations.
- PCP 4: Informality as a structural constraint*  
**4** There is a need to examine ways that can boost the productivity of informal enterprises. This can include investigating how the promotion of investments in basic infrastructure, digital technology, financial inclusion, and skills upgrading can boost productivity among informal enterprises.
- PCP 5: The cartel problem*  
**5** The cartels play an instrumental role in the provision of key infrastructure and services like water, electricity, security, and locations to have your establishment in the city. However, some middlemen inflate the cost of business.

### Suggestions to refine the PCPs

- The domain should categorise the identified constraints into political, economic and social constraints.
- To examine how to formalize informal businesses without exposing them to the reality of they have to pay taxes to scale up their business to access finance.
- Introduce soft regulations, especially for informal businesses, to change people's perceptions that informal means 'illegal'.
- Recognizing informal businesses and implementing flexible licensing and minimal taxes are necessary to encourage them to be regulated.
- Establish neighbourhood economic structures that will support the expansion of SMEs.
- Tap into Sakaja's move of expanding the number of markets in the city. The markets can promote increased sales and can also accommodate the street vendors once they are properly constructed and functional.





# Health, nutrition and well-being domain

## Introduction

The domain focuses on the poor and marginalized urban population in the Mathare and Viwandani informal settlements. It focuses on health, well-being, and nutrition issues, with a focus on health and food systems. The team will look into food security and nutrition in food systems. The domain will investigate aspects of health systems such as undernutrition, malnutrition, and food-related communicable and non-communicable diseases. It will draw conclusions about the relationship between HWN and water, sanitation, energy, and waste management systems.

## Research Objectives

1. To determine the patterns of ill health and food insecurity in the informal settlements of Mathare and Viwandani.
2. To identify the factors that enable or impede the adoption of healthy diets and access to health services in informal settlements.
3. To identify the processes and policies that influence access to healthy diets and health services.



*(Dr. Veronica Mwangi is a lecturer at the University of Nairobi. She collaborates with Professor Sam Owuor from the University of Nairobi, Dr. Lilian Otiso, and Inviolata Njoroge from LVCT Health is leading the Health, nutrition, and well-being domain.)*

## Methodology

The domain conducted a desktop review of grey literature and published reports. They also held eight focus group discussions in the informal settlements of Mathare and Viwandani to better understand the research objectives.

The focus groups were divided into four broad categories: female-only, male-only, mixed-gender, and young mothers.

## Key findings

The domain sought to understand access, sources, and types of healthy foods, food consumption, preferences, healthy diet promotion, and identifying linkages between food, health, and healthcare services.

From the FGDs, healthy foods were perceived as balanced diets that contained vitamins, carbohydrates, and proteins.

### *Enablers of a healthy diet in the community*

1. The physical availability of food.
2. Intergenerational knowledge (They can learn nutritious diet from their parents)
3. Availability of street foods
4. The presence of community health volunteers (CHVs), who are instrumental in promoting healthy eating in the community.

### *Barriers to a healthy diet*

1. Low-income levels and unemployment
2. Larger household size
3. Rising food prices exacerbated by the COVID-19 pandemic
4. High cost of energy
5. Competing household needs, thus allocating the available income towards various needs.
6. Alcohol consumption; is associated with younger women resulting in child neglect.

### *Promoters of the uptake of healthy diets in the community*

- Health facilities providing education on healthy diets
- NGOs through food donations
- School programs that provide a balanced diet to school-going children.

### *Groups of people vulnerable to food insecurity*

The sick, disabled, street families, orphans, neglected children, and the elderly.

**Note;** All these groups rely on external sources for food provision except for street families.

According to the FGDs conducted, a healthy person was described as having a good physical appearance, a stable mental state, and a sound spirituality.

Respondents mentioned having access to public and private hospitals, chemists, pharmacies, health centers, and herbalists who provided healthcare services.

**Common Communicable diseases**

As a result of poor water and sanitation conditions in informal settlements, **cholera** and **typhoid** were identified as the most prevalent communicable diseases.

**Non-communicable diseases**

Women, older people, children, and young men were identified as vulnerable to **diabetes**, **anaemia**, and **rickets** (in children). However, it was noted that children living in tenements are at the highest risk of developing rickets due to a lack of sun exposure.

**Barriers to healthcare services**

- Low Income;
- Lack of medicine;
- Poor attitude by staff;
- Stigma

**Community suggestions to address the identified barriers**

1. Provision of education and training on the uptake of healthy diets.
2. Empowerment of CHVs to promote healthy diets in the community.
3. Training and educating the youth on urban farming, i.e. kitchen gardens

**Proposed priority complex problems**

- 01** Improve food access by incorporating food security, nutrition, and social protection as components of food access improvement.
- 02** To reduce energy costs by ensuring affordable access to gas, kerosene, and other fuels.
- 03** To ensure primary and preventive healthcare to align food education with ground realities in order to address the common diseases.

- 04** To guarantee the safety of the food that people consume by recognizing and regulating informal businesses.

**Proposed approaches/entry points to addressing these PCPs**

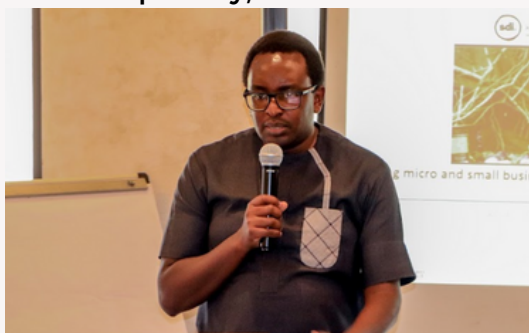
1. Via the Nairobi City County CIDP, which has integrated school feeding programs, cash transfers, and kitchen gardens as among the county strategies.
2. Collaborating with the Nairobi City County Food, Agriculture, and Forestry Department on urban farming, food security surveillance, agriculture, and spatial food plans.
3. By integrating school feeding programs with school farming. Schools can produce their food while the government supplements them through these feeding programs.
4. Tap into Governor Sakaja's manifesto, which proposes providing healthy lunches to all primary school students and having a functioning universal healthcare system.
5. Tap into the NCC food systems strategy which aims to increase food production, ensure food supply stability, and reduce food losses and costs.
6. To integrate the issues of climate change as it is increasingly becoming a significant threat and is directly affecting the infrastructure and food systems.
7. Collaborate with university students and mama mboga's to develop innovative solutions for achieving food security.
8. To look at other clean sources of energy that the community can use to reduce the energy costs of cooking.

# Scaling Microbusinesses for Healthy and Sustainable Food Systems in Kenya

## Introduction

It is a two-year (April 2021 – March 2023) collaborative research project funded by the International Development Research Centre (IDRC) and implemented by Wasafiri Consulting Kenya, Village Enterprise, and Shack Dwellers International (SDI).

Wasafiri is a consulting firm and an institute that uses systems change to solve some of the world's most complex problems affected by human and environmental factors. The organization is focused on three impact areas: governance and security, food systems and inclusive growth with components of poverty, and climate and nature.



(George E. Kaburu- Wasafiri consulting)

Wasafiri developed a framework to understand why complex problems such as poverty and urbanization exist through research, consulting, and strategy work. As a result, they were able to establish characteristics that define a complex problem. They are as follows;

- 1.No single owner
- 2.No single cause
- 3.It is constantly changing
- 4.Systems work for some people

## Dimensions for action

- 1.Organize collaborations to drive action
- 2.Change the incentives
- 3.Harness collective intelligence and information

## Approach

This research employed the reverse value chain analysis to gain a better understanding of household consumption, markets, and the enabling environment, as well as insights for policy interventions.

The project applies participatory action research methods in three counties; Nairobi-Kibera, Bungoma, and West Pokot to generate an understanding of interventions and policy measures that can support (micro/small) businesses to make a visible, coherent, and substantial contribution to the resilience of food systems that are healthy, sustainable, and affordable.

## Research objectives

The project explores three research objectives to convey new knowledge on policy measures and interventions that can encourage business participation, market interaction (supply), and demand for HSFs (demand), which is relevant and timely for targeted policies and operational entities.

- 1.To understand the perceptions, incentives, and barriers that inform business decisions on whether to supply HSFs and the gender dimensions of these decisions.
- 2.To understand the needs and circumstances of actors in the HSFs value chains, e.g., smallholders and micro & small enterprises (MSEs), their operating business environment, and access to services.
- 3.To understand the acceptability and accessibility of HSFs on household consumption, both poor and non-poor, local and non-local, rural and urban, and headed by different genders.

## Anticipated High-Impact Results

- New knowledge, the adaptation of methods and protocols supporting MSEs formation and development in favor of supply and trade of HSF.
- New knowledge on gender dimensions operating in MSEs and their connection with the enabling environment, including what actors might do to influence positive progress
- New knowledge on the type(s) of the market system(s) that can operate in favor of HSFs, including what actors might do to influence positive progress.

- New knowledge on how businesses and market systems might influence demand for (and consumption of) HSFs to inform nutrition, economic policies, and consumer preferences for HSFs.
- Capacity building – implementing partners, CSOs, beneficiary communities, etc
- Evidence-based stakeholder engagement to shift and influence the transformation of Kenyan food systems toward HSFs.

## Key findings

### Food categories

Cereal products, vegetables, legumes, nuts and seeds, and root and tubers are the five HSF food categories that the project focused on. According to the data collected, the majority of households were able to consume 7-10 food groups, with only 2-3 of these being HSF. The remaining consumption was made up of complementary foods such as sugars.

There was also a lot of milk consumption. However, it is important to note that many of these households did not buy milk as a standalone product, but as a complementary product for tea.

### Perception of HSF

The respondents defined HSF as foods containing cereals, fruits, and vegetables. However, there were instances in the community where some tribes defined HSF as ugali and ripe bananas.

Most households had a good understanding of what healthy foods are. This was most likely due to the active role that community health volunteers played within informal settlements in educating people about healthy sustainable foods (HSF), particularly young mothers and the elderly. Even with knowledge, the uptake of HSF is limited, with the exception of the elderly, who require it due to health issues.



(Charity Mwangi- SDI Kenya; ACRC Research uptake lead)

### Barriers to HSF

The high cost of food, energy, and street food alteration through the use of panadol were the main barriers to the uptake of HSF.

### Market Influence

Micro businesses play an important role, particularly in terms of food accessibility by households. They provide food to at least 80% of households and try to minimize value chains because they purchase approximately 75% of food supplies in markets and firms, which consumers can access at that level. They also employ between 1-50 persons, thus creating job opportunities.

There are short value chains with few intermediaries due to the reduction of the cost factor for the final consumer who consumes these foods.

Healthy, sustainable foods are expensive to produce and procure; thus, the cost trickles down to the consumer level, making consumption of HSF problematic for the end user.

### Challenges within the market influence

1. High competition
2. A lot of entry and exit due to capital issues
3. Minimal value additions
4. Of most businesses, 95% are micro in size. (A person has less than 10 employees. In most cases, they are sole proprietors.)


### The enabling business environment


Despite the significant contribution of small businesses, SMEs' performance is hampered by a weak and costly business environment. For example, licensing and taxation are difficult to obtain, particularly for small businesses.


Quality and nutrition did not appear to be major deciding factors among consumers. As a result, SMEs did not place as much emphasis on this because consumers preferred quantity over quality.

Despite all of these external and internal challenges, SMEs were very resilient because very few of them made changes during the COVID-19 pandemic, except for Kibera, where about 10%-15% of traders closed their businesses due to the pandemic, primarily due to government restrictions.


## Recommendations and Way forward

 To organize a meeting with Governor Sakaja to come up with strategies on how to discuss strategies for implementing his manifesto, which aims to deliver affordable and decent housing, as well as free healthy lunches in public primary schools and a functioning universal healthcare system.

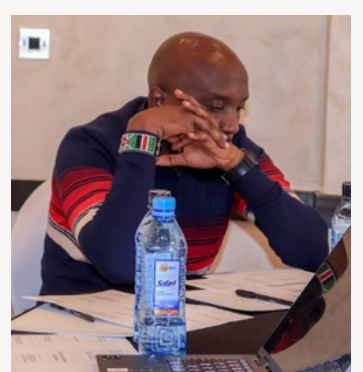
 To collaborate with the county government, especially the departments of health, education, and agriculture on urban farming, food security surveillance, agriculture, and spatial food plans.

 To collaborate with academia especially the university students and mama mboga's to develop innovative solutions for achieving food security.

## References

 <https://youtu.be/JqYnuTxA3qg> Health nutrition & well-being and structural transformation domains updates

# Pictorials



## List of Stakeholders

Name	Organization	Designation
Mario Kainga	NCCG; Water, sanitation and	Director
Martin Atela	PASGR	Uptake director
George Kaburu	Wasafiri consulting	Research consultants
Consolata Chesang	Wasafiri consulting	Research consultants
Jane Weru	AMT	Executive Director AMT
Patrick Njoroge	AMT	Program manager
Wainaina Muiruri	NCCG	Deputy Director Youth Affairs
Joshua Magero	UCT	Structural transformation researcher
Susan Kimani	NCCG	Assistant Director Youth Affairs
James Odongo	KNCCI	CEO
Mabel Rubadiri	Koko networks	Public relations
Joseph Kimani	SDI-K	Executive Director
Inviolata Njoroge	LVCT Health	Health, nutrition and wellbeing researcher
Veronica Mwangi	UON	Health, nutrition and wellbeing researcher
Dennis Mwangi	Muongano wa Wanavijiji	KYCTV
Rosebella Apollo	PASGR	Uptake officer
Dr. Lucy Muthoni	Strathmore university	Senior lecturer mathematics and Acturial sciences
Prof. Sam Owuor	UON	Health, nutrition and wellbeing lead
Charity Mumbi	SDI-K	Projects officer
Nicera Wanjiru	Muongano wa Wanavijiji	Muongano Youth
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