

OPINION

Ensuring sustainability in affordable housing programme



By JOHNSTON OLTETIA

Climate change-induced risks are becoming a stark reality, affecting millions, not only in Kenya but globally. The consequences of recent heavy rains that led to significant flooding in urban centres and rural neighbourhoods have impacted large communities.

The above-average rainfall during the March-April-May-long rains brought with it heartbreaking stories. Lives were lost. Homeowners watched as their houses were submerged or swept away by the raging waters, leaving them structurally damaged.

As a result, substantial financial losses were incurred. The consequences of these climate-related disasters have

been catastrophic, underscoring the importance of proactive measures to mitigate climate risks.

The homes we live in and the environment around us are crucial to our well-being. Housing, a key policy priority, stands at the intersection of achieving inclusive growth and environmental sustainability.

At the Kenya Mortgage Refinance Company (KMRC), we care about sustainability and the preservation of the environment, recognising that sustainable housing is a cornerstone for an inclusive and sustainable economy.

Moreover, within the housing ecosystem, sustainability and the embedding of Environmental, Social, and Governance (ESG) practices are not only moral but also pragmatic imperatives. Central to realising these goals is the financial system, the heartbeat of any economy.

As a result, we are calibrating and integrating environmental considerations aimed at reducing environmental impact. This promotes social responsibility and ensures long-term economic viability in our operations and through partnerships with primary mortgage lenders.

In our drive for sustainability, we pursue various initiatives. Specifically, we apply environmental and social policy in

screening before refinancing the mortgage portfolios of our participating primary mortgage lenders.

The assessment includes an evaluation of environmental and social factors as a minimum requirement to qualify for KMRC refinancing.

Environmental factors consider the sustainability of the property financed in terms of location and compliance with legal and regulatory requirements.

Applicable laws

We have provided participating lenders with an exclusion criterion that disallows the financing of housing projects that fall short of expected compliance, including those that are illegal, non-compliant with applicable laws, associated with illegal forced evictions, involve outstanding disputes, or are built in riparian regions.

Additionally, social dimensions are equally important, and the assessment screens portfolios against social factors. Among these, we consider the labour and working conditions of the primary mortgage lenders and extend this to cover workers involved in the construction of the property.

The screening is rigorous, and deliberately so. By adhering to these standards, mortgage originators can signifi-

cantly mitigate risks and contribute to sustainable development.

Integrating ESG principles into mortgage origination is not just about risk management; it is a compelling business strategy that translates into more stable and sustainable business models.

Consumers, investors, and policy-makers increasingly value sustainability and ethical business practices.

At KMRC, we promote affordable homeownership—a basic human need and a central driver of well-being. Our business model is hinged on social responsibility through the promotion of homeownership for the middle- to lower-income segments of the market.

As part of our efforts to embed sustainability in the housing ecosystem, expanding to underserved moderate-income segments is a key priority.

A recent assessment indicates that out of the nineteen million people employed in Kenya in 2022, about 16 million worked in the informal economy.

Informality has been a hindrance to homeownership, yet a large share of the population is employed in the informal sector. Beyond the obstacles specific to the informal sector, the challenges for accessing housing finance are compounded for low- to middle-income households, even when housing solu-

tions are available to them.

As part of our initiative to serve this underserved market segment, whose incomes are irregular and often undocumented, we are implementing a risk-sharing facility to de-risk lower-income earners, ultimately achieving a broader social impact. Ensuring widespread access to affordable housing is now a policy priority in Kenya. At the same time, mitigating and adapting to climate change is equally urgent.

The costs of climate change to modern societies are significant, with consequences that will only grow if left unaddressed. As the impacts of climate change intensify, the need for sustainable housing solutions will increase.

The resilience and effective functioning of our housing markets depend not only on affordability considerations but also on how we embed sustainability in the process.

Embracing ESG principles offers a roadmap for developing affordable housing that is environmentally sound, socially inclusive, and economically viable. It is a vital step towards a sustainable future where everyone has access to safe, decent, and climate-resilient housing.

-The writer is the CEO of Kenya Mortgage Refinance Company



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COUNTY GOVERNMENT OF KERICHO
DEPARTMENT OF HEALTH SERVICES

INVITATION TO TENDER

The County Government of Kericho, Department of Health Services invites sealed tenders for:

S/NO	TENDER NAME	TENDER NUMBER	BID BOND AMOUNT (Ksh)	ELIGIBILITY
1.	Supply and Delivery of Pharmaceuticals and Non-Pharmaceuticals under Framework Agreement	CGK/H/F/001/2024/2026	2,000,000	OPEN
2.	Supply and Delivery of Laboratory Reagents, Consumables and Small Equipment under Framework Agreement	CGK/H/F/002/2024/2026	200,000	OPEN
3.	Supply and Delivery of Dental Consumables under Framework Agreement	CGK/H/F/003/2024/2026	50,000	OPEN
4.	Supply and Delivery of Ophthalmology Consumables under Framework Agreement	CGK/H/F/004/2024/2026	50,000	OPEN
5.	Supply and Delivery of Radiology Consumables under Framework Agreement	CGK/H/F/005/2024/2026	50,000	OPEN
6.	Supply and Delivery of Neurosurgery Consumables under Framework Agreement	CGK/H/F/006/2024/2026	50,000	OPEN
7.	Supply and Delivery of Cardiothoracic Consumables under Framework Agreement	CGK/H/F/007/2024/2026	50,000	OPEN
8.	Supply and Delivery of Food and Non-Food Kitchen Supplies and Cooking Fuel under Framework Agreement	CGK/H/F/008/2024/2026	N/A	YOUTH
9.	Provision of Catering Services	CGK/H/T/001/2024/2026	N/A	YOUTH
10.	Provision of Security and Guarding Services	CGK/H/T/002/2024/2026	200,000	OPEN
11.	Provision of General Cleaning, Gardening and Laundry Services	CGK/H/T/003/2024/2026	N/A	WOMEN

Interested eligible bidders may obtain further information from Health Services Department health.serviceskco@yahoo.com and inspect the tender documents from the county website. The tender documents may be downloaded from the PPIP Portal <https://www.tenders.go.ke/> OR the county website www.kericho.go.ke free of charge. Tenderers who wish to participate are required constantly check the county website in case of an addendum.

Firms that wish to bid for the provision of security guarding services MUST be registered with Private Security Regulatory Authority. Tender bids must be submitted in sealed envelopes clearly labeled with the tender number, tender name and be deposited in the **Tender Box at the Reception Area Department of Health Services Offices Located at Kericho County Referral Hospital, Administration Block, 2nd Floor** and be addressed to:

**The Chief Officer,
Department of Health of Services
P.O. Box 112 - 20200 Kericho.**

So as to be received on or before **10th September 2024 at 10.00am EAT**

Bulky or large bid documents which cannot go through the slot of the Tender Box must be delivered to the Procurement Office located at Kericho County Referral Hospital, Administration Block, 2nd Floor.

Tenders will be opened immediately thereafter in the presence of bidders or their representatives who choose to attend. The venue for tender opening will be at Kericho County Referral Hospital Boardroom located at the Administration Block, 2nd floor, Department of Health Services.

**Chief Officer, Health Services
County Government of Kericho**