

**Governing Council
of the United Nations
Human Settlements Programme**

HSP/GC/21/CRP.1

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Agenda item 6

**Dialogue on the special theme for the
twenty-first session of the Governing Council**

Submission by Kenya

Draft resolution

Sustainable public-private partnership incentives for attracting large-scale private-sector investment in low-income housing

The Governing Council,

Recalling paragraphs 187 and 188 of the Habitat Agenda,¹ which note that funds to finance shelter and settlements development mainly come from domestic sources and that effective partnerships between the public and private sectors should be promoted through a combination of local taxes and fiscal incentives,

Taking note with appreciation of the report of the Executive Director on the dialogue on the special theme for the twenty-first session of the Governing Council: sustainable urbanization: local action for urban poverty reduction with an emphasis on finance and planning,² which emphasizes the importance of public-private partnerships on poverty reduction, and taking note in particular of paragraph 37 of the aforementioned report, which states that public-private partnerships have the potential to contribute to reducing urban poverty by catalysing market activities to create growth and employment on a wider scale,

Noting that catalysing partnerships between local and national governments on the one hand and local governments and the private sector on the other must in that process focus attention on community participation to maximize results,

Cognizant that the housing sector in many developing countries is characterized by a low level of urban home ownership, a lack of affordable and decent rental housing options and expensive and inappropriate dwelling units, including slums and squatter settlements,

1 *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3–14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

2 HSP/GC/21/3.

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Acknowledging that housing and related infrastructure is one of the principal sectors that can revitalize and sustain economic growth and development, employment creation and poverty reduction,

Acknowledging also that the formal private-sector housing market in most developing countries mainly caters for upper-middle and high-income groups, leaving households in the lower-middle and lower income brackets unserved,

Bearing in mind that the vast majority of urban dwellers cannot afford to buy their own homes because of high house prices and the high cost of loans,

Bearing in mind also that public-sector funding and direct provision of housing has been declining as a result of the scarcity of financial resources,

Emphasizing that to address the situation, government action in terms of deliberate policies and interventions to create an enabling environment, particularly for the private sector, to facilitate the realization of affordable and decent housing for all is required,

1. *Calls upon* governments, particularly in developing countries, to provide incentives to enhance formal private-sector participation in the provision of low-income housing and to support the housing sector, which is largely propelled by internally generated domestic resources serving as an engine for growth and employment;
2. *Invites* governments, particularly in developing countries, to implement measures to re-engineer demand and supply in their housing markets so as to generate sufficient domestic resources for the supply of affordable and decent housing for low-income groups;
3. *Urges* governments, particularly in developing countries, to enhance the contribution of the housing sector to national economic growth, wealth creation, employment generation and poverty reduction in line with the Millennium Development Goals;
4. *Requests* the Executive Director, in consultation with governments, to promote the use of housing-sector incentives and market re-engineering measures as a sustainable partnership strategy for attracting private-sector investment and resources into low-income housing on a scale large enough to impact significantly the livelihoods of low-income households;
5. *Also requests* the Executive Director to report to the Governing Council at its twenty-second session on the progress made in the implementation of the present resolution.
