






## FREE LAND AS INCENTIVE FOR GREEN AFFORDABLE HOUSING INCOME TAX DEDUCTION FOR GREEN BOND INSTRUMENT

KENYA



<b>Objective</b> 	Promote affordable and resource-efficient housing projects  Promote investments in green buildings through green bonds and new capital market instruments	<b>Target group</b> 	Developers
<b>Building type</b> 	Residential for affordable housing incentive  All building types for green bond incentive	<b>Duration</b> 	Start in July 2020
<b>Partners</b> 	Kenya's State Department of Housing & Urban Development in the Ministry of Transport (Affordable housing incentive)  Kenya National Treasury (Green bond incentive)  Support from Kenya Green Building Society and IFC	<b>Volume</b> 	Program is in early stages

The government provides developers with free land to build affordable housing projects that are certified with the EDGE Standard.

Kenya's State Department of Housing has created memoranda of understanding (MOUs) with county governments for affordable housing projects. In the MOUs, developers who win bids for projects can receive free land and build upon it for the purpose of affordable housing projects, as long as they design and construct their buildings according to the EDGE standard. The Kenya Green Building Society (KGBS) connects developers to certifiers and provides training on technical standard to both government and developers.

The BomaYangu platform was created to jumpstart affordable housing at scale: About 300,000 citizens have registered to express their interest; The national housing fund helps Kenyans to become homeowners by providing tax credits, in addition to provisioning state-owned land and building out the necessary infrastructure for development purposes.

In addition, Kenya National Treasury is promoting green bonds as a new financial instrument for sustainable investments. The Treasury offers 100% tax exemption on interest income for bonds and securities used to raise funds for green building projects, as defined under the Green Bonds Principles. The bond may be issued by a corporate entity or a financial institution.

<b>Certification system</b> 	BREEAM, CEEQUAL, DGNB, EDGE, IECC, LEED		
<b>Contact person in programme or country</b>	admin@kgbs.co.ke	<b>Example submitted by</b>	Rusmir Musić, IFC EDGE
<b>Website</b> 	Affordable housing information: <a href="https://housingandurban.go.ke/">https://housingandurban.go.ke/</a>  Tax incentive in Kenya Gazette: <a href="http://kenyalaw.org/kl/fileadmin/pdfdownloads/AmendmentActs/2019/FinanceAct_No23of2019.PDF">http://kenyalaw.org/kl/fileadmin/pdfdownloads/AmendmentActs/2019/FinanceAct_No23of2019.PDF</a> <a href="https://www.edgebuildings.com/edge-standard-provides-key-benefit-for-kenyas-affordable-housing-developers/">https://www.edgebuildings.com/edge-standard-provides-key-benefit-for-kenyas-affordable-housing-developers/</a>		