



Financial Sustainability of Community Development Banks in Informal Urban Settlements: An Assessment within Nairobi, Kenya

Olivia Ochieng^{1,2}, Oluoch Okoth^{1,3}, Mwangi Wangui¹, Kamau Kamanda⁴

¹ Moi University

² Department of Advanced Studies, Technical University of Kenya

³ Technical University of Kenya

⁴ Jomo Kenyatta University of Agriculture and Technology (JKUAT)

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Correspondence: oochieng@gmail.com

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Author notes

Olivia Ochieng is affiliated with Moi University and focuses on Business research in Africa.

Oluoch Okoth is affiliated with Moi University and focuses on Business research in Africa.

Mwangi Wangui is affiliated with Moi University and focuses on Business research in Africa.

Kamau Kamanda is affiliated with Jomo Kenyatta University of Agriculture and Technology (JKUAT) and focuses on Business research in Africa.

Abstract

Community development banks (CDBs) have emerged as a critical financial mechanism for supporting microenterprise development in informal urban settlements globally. A qualitative research approach was employed, involving semi-structured interviews and document reviews from key stakeholders including community members, bank managers, and local government officials. CDBs in Nairobi demonstrated a positive impact on the growth of microenterprises with over 70% of enterprises reporting increased earnings due to access to financial support. Despite initial challenges, CDBs have shown potential for fostering economic resilience and sustainability within informal urban settlements by providing accessible financial services tailored to community needs. Further research should explore replicating successful models in other Kenyan cities and incorporating more formalized governance structures to enhance long-term viability.

Keywords: *Geography, Africa, Nairobi, Informal, Ethnicity, SocialCapital, QualitativeAnalysis*

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