

Paper ID 462

# Quantifying the loss: Sustainable Livelihood Framework applied.

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## 1 ABSTRACT

The ultimate goal of an IFC Standard 5 Resettlement Plan is to enable those individuals displaced by a project to improve their living standard - a goal that requires an examination of socioeconomic conditions and ecosystem services beyond the mere physical inventory.

The Sustainable Livelihood Framework developed by Ashley, C., & Carney, D (1999), is a tool designed to understand the various dimensions of a person's livelihood; the strategies and objectives pursued; and associated opportunities and constraints. This paper describes the application of the Framework to develop a Livelihood Restoration Plan (LRP) with a balanced approach to restoration and improvement activities.

In order to implement this methodology, indicators were chosen to describe natural, physical, human, social and financial assets per household. A scoring system has been determined based on the community's characteristics. The objective of this first exercise was to establish a baseline for the loss, identify which assets need to be restored and where the opportunities for improvement are.

Once the initial steps are completed, different scenarios can be modelled to show what the families could experience once relocated. This paper presents the findings of the ideal scenario after one year of relocation.

## 2 OBJECTIVES

The main objective set for this study is to apply the Sustainable Livelihood Framework to develop and implement a successful Livelihood Restoration Plan, which will be compliant with IFC Standard 5, namely to restore and to improve livelihoods.

The secondary objectives set for this study lay on the following statements:

- To quantify the loss as in terms of Livelihood Capitals.
- To model different scenarios post-relocation to achieve a balanced LRP.
- To minimize the risks of negative LRP outcomes.

### 3 SITUATION AND PROBLEM BREAKDOWN

Studies show that a Livelihood Restoration Plan could be developed using different methodologies well recognized in the field of resettlement. Most methodologies will involve consultation with eligible families and compensation of main assets, such as physical and economic (income). (World Bank , 2014) The following is a summary of the author's understanding of the most common problems found when implementing and LRP.

A survey by the World Bank in 2014 shows that 42% of the proponents undertaking resettlement plans, do not know what was the result of the restoration while 25% have not information about it. These figures are related to the fact that 41% of the proponents don't know how many people lost their income or livelihood. (World Bank , 2014)

Another issue is the limited understanding of the holistic definition of livelihood. Livelihood understood in economic terms only could be associated with: wages, subsistence activities; selling of crafts; assistance from family or grants; resources from the natural environment. A livelihood as understood under the Livelihood Framework is "the group of capabilities (the power or ability to do something), assets (both material and social resources) and activities required for the means of living. (Townsley, 2002).

Further, a difficulty encountered during the implementation of an LRP with weak foundations is the high risk of impoverishment that the families have to overcome after relocating. When the assets to restore have not been accounted for adequately, families are faced with tangible and intangible losses. Sometimes those losses have no trade value meaning that they cannot be replaced or compensated with money.

Other related losses unaccounted for relate to social networks: the loss of the proximity to long time neighbours or to key family members who need assistant could go unseen at first, but after relocation the negative impacts will start showing the consequences. Families then need to cope with the shock of the relocation but also with new issues that they have not dealt with before.

Lastly, the imbalanced focus of activities brings its own difficulties. Some proponents limit their compensation to physical assets: housing, infrastructure, relocation of assets and some additional cash for the loss of crops and other odds. Other proponents include the development of employment as an opportunity to "improve" livelihoods, while the real source of income may have not been restored completely. Other situation is when the LRP intends to change the livelihood strategy in terms of the source of income.

### 4 JUSTIFICATION

The ideal outcome of an LRP is when the monitoring and evaluation results show that families have not fallen into deeper poverty, that food security has been achieved for a sustained amount of time, that all assets identified in the baseline have been restored while opportunities for improvement are available.

The current study is based on the principle that an integrated approach to livelihoods will allow higher probabilities of achieving a successful LRP. The Livelihood Framework provides a holistic approach setting the focus on the key assets to restore. This tool was designed to understand the various dimensions of a livelihood; the strategies and objectives pursued; and associated opportunities and constraints.

The Framework used for scenario planning could allow to identify the adequate measures to take for restoration and those for improvement: "Must do vs. Nice to have".

## 5 METHODOLOGY

The Livelihood Framework presents different Capitals that combined describe a livelihood. Each Capital consists of different indicators. For example, the Human Capital consist of Health; Nutrition; Education; Knowledge and skills; Capacity to work and capacity to adapt.

The indicators need to be adjusted to the subject of study: an individual, a household or a community. A scoring system needs to be developed to rate each indicator for each asset. Using the scoring system, the indicators are rated according to the current situation. The average scoring of all indicators make up the scoring of the asset. The results will show the strength (Score 5) and the weaknesses (Score 0) of the subject.

This first exercise is required to create a baseline for the subject of study, in this case a family.

### 5.1 Baseline before relocation

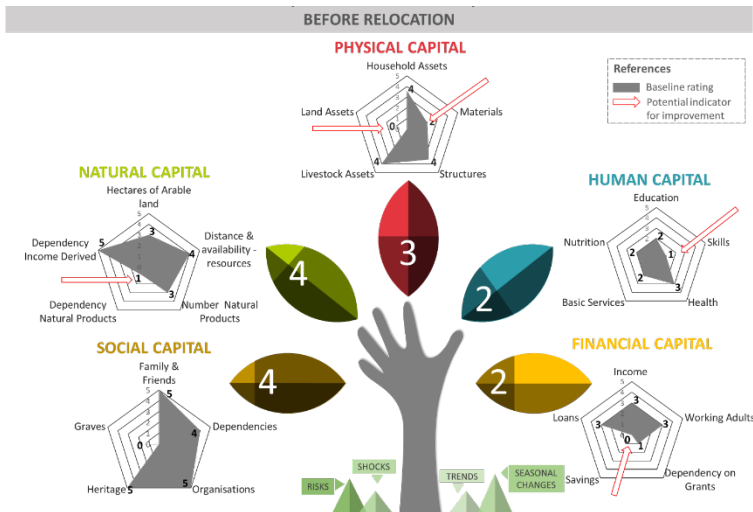
Table 1 below shows the initial steps to set up a baseline for the subject of study.

**Table 1 Initial steps to set up a baseline**

STEPS	DESCRIPTION
<b>Indicator per asset</b>	Each livelihood capital is made-up of indicators that describe the subject of study (a household or a community).  During the baseline stage, indicators must be identified for each asset and integrated to the framework.
<b>Set a scoring system</b>	A scoring system shall be developed for each indicator to rate the existing situation experienced by the subject of study.  The methodology for the rating must be consistent throughout the Framework. For the Household Example here described, cero (0) will be the poorest rating and five (5) the best one.
<b>Rating</b>	The rating will be undertaken using the data collected during the Socio-economic Census, Enumeration process and other consultations.  It is recommended to rate each indicator and asset during a workshop with all involved stakeholders (internal and external).
<b>Identify key indicators to restore or improve</b>	Once each capital has been scored, the graphics will show the weakest indicators and the strongest. The weakest could represent a potential opportunity for improvement; while the strongest could show where the resilience of the subject of study depends on.  Activities for the LRP can then be analysed, consulted and planned for.
<b>Vulnerability context (VC)</b>	A vulnerability context depicts the situation in which people are living, especially the extent of their vulnerability to risks, shocks, trends and seasonal changes will show. Although this poster does not specify how the VC is identified, it is important to include it in the baseline and re-analyse it for each scenario. Resilience and success of the LRP are related to the VC.

Figure 1 below provides a visualization of the LRP using the Sustainable Livelihood Framework modelled to an example Household “X” before relocation. Each Capital has been portrayed in individual graphics in order to easily identify those indicators that are weak or low, and those which are strong. The red arrows in the figure show the potential indicators for improvement that the LRP could address to improve the livelihood.

## Quantifying the loss: Sustainable Livelihood Framework applied.



**Figure 1 Sustainable Livelihood Framework for Household "X" - Before relocation**

### 5.2 Scenario: Year 1 after relocation

For the purpose of this study, the scenario selected was to model the Livelihood situation one year after the relocation of the family. For this purpose the following conditions were assumed:

- Household has been relocated with success.
- Due to the low vulnerability of the household, all restoration activities have been implemented.
- Improvement activities are starting to show benefits.
- Household has lost connection with some family and friends due to the move, however with the higher income they frequently visit each other.

The outcomes that can be identified from this situation is that in terms of restoration, most of the original ratings per indicator have been maintained or improved and that the restoration of Social and Natural Capital is harder to achieve and in some cases has decreased the ratings.

In terms of improvement, there has been a clear focus to improve the ratings of the Physical and Human Capital. However, the Financial Capital could take a longer period of time to show improvements. It is understood that this capital will improve slowly as a consequence of the improvement of other indicators.

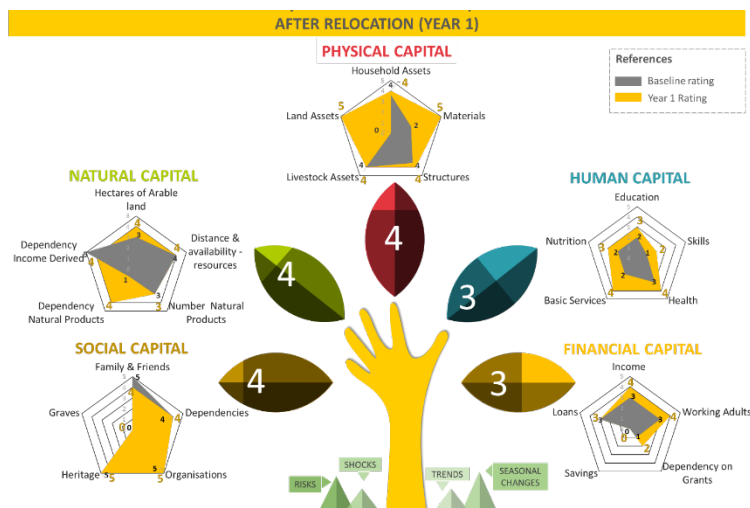


Figure 2 Sustainable Livelihood Framework for Household "X" - After relocation Year 1

### 5.3 Monitoring and evaluation

The LRP exercise is not over once the families have relocated and it shall continue its implementation as long as the activities require the involvement and commitment of the proponent. The Year 1 after relocation is usually a looked after milestone for the families and the proponent. The first year could be highly challenging for most stakeholders and support from all parties is needed.

This support comes with constant monitoring and evaluation of the plan. The activities set up in the plan must be monitored closely by the proponent's staff in the area, but also by management. The framework must be updated regularly to show progress, but also to identify those indicators that could be struggling to be restored or to improve.

## 6 FINDINGS AND CONCLUSION

The findings of this study have shown that a holistic approach to the Livelihood Restoration Plan allows for integral planning towards restoration. The following outcomes have been identified while implementing this innovative approach, both at research level and real life implementation:

1. Extensive data required from the subject of study.
2. Tailor-made indicators per Capital is required for each LRP and the rating may also vary.
3. Participation of the subject of study is key for the rating of the indicators.
4. The restoration activities should be orientated to re-establishing the baseline capital ratings as much as possible.>
5. The implementation activities should be orientated to improve the rating of the indicators that:
  - a. the rating is weak,
  - b. the subject of study has indicated interest to improve the rating,
  - c. could bring further benefits to improve other indicators and
  - d. it is feasible to implement.
6. The vulnerability context must be included in all assessments.

The Framework has proven to be an effective tool to undertake a full LRP, as it allows for integral and sustainable planning. It is time intensive and requires large amount of data, together with a lengthy consultation process with the subject of study. Their involvement could motivate sense of ownership.

Focusing mainly on the Restoration of existing assets and capitals will provide the subject of study a better sense of place after relocation and could potentially assist to build resilience. Additionally, improvement activities must provide sustainable solutions and be tailor-made to the capacities, abilities and resilience of the subject of study.

The Framework has proven to be an effective tool to undertake the complex analysis of the impacts of a relocation, allowing decision makers to understand the impact of their decisions in people's life.

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A citizen of the world and living in South Africa, Alexandra speaks Spanish, English, Portuguese and French. She has travelled extensively throughout South America and Southern Africa to execute innovative solutions to social projects. Alexandra is currently working at GCS in South Africa, leading the Social Unit.