



Dealing with Informal Livelihoods in an Urban Context: Issues and Challenges

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Presentation Outline



- I. Urbanization Trends and Challenges
- II. Key Characteristics of Urban Informal Livelihoods
- III. Resettlement Impacts on Informal Livelihoods
- IV. Potential Mitigation Strategies
- V. Relevant EIB Social Sustainability Framework
- VI. Project Example of Resettlement
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I. Urbanization Trends and Challenges



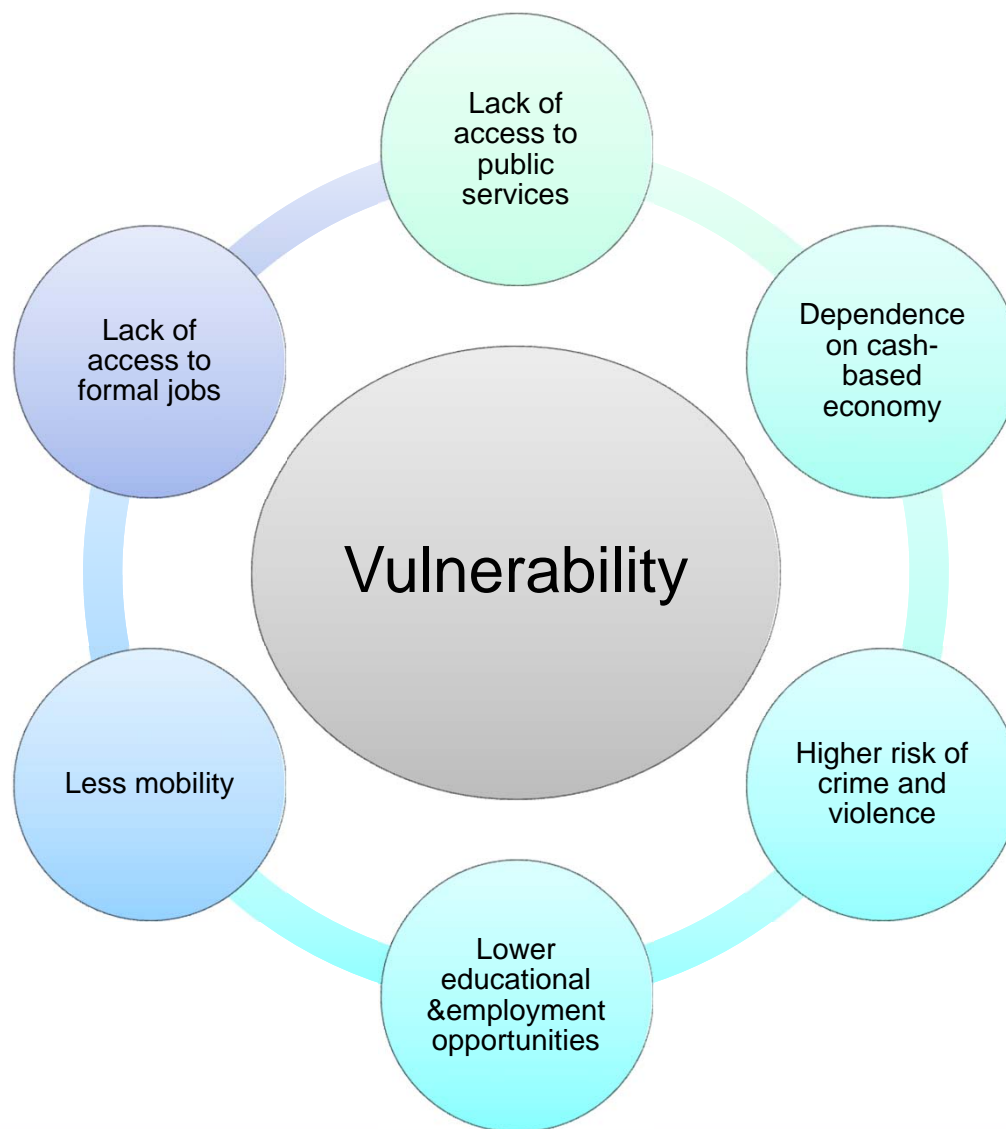


I. Urbanization Trends and Challenges

- In 2014, 54 per cent of world population is residing in urban areas. By 2030 this number is expected to swell to 5bn, with urban growth concentrated in Africa and Asia.
- Urban poverty occurs in parallel with rapid urbanization and is now growing faster in urban areas with 1bn people globally living in urban slums.
- Infrastructure projects requiring land increasingly affect informal settlers and/or people relying on informal livelihoods.
- Mitigating adverse project impacts on these groups remains a major challenge. Key area for the urban poor is their ability to achieve independence and a livelihood.



II. Key Characteristics of Urban Informal Livelihoods





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- Informal livelihoods occur primarily due to challenges in accessing the formal job market.
- Informal and segmented markets are often associated with low-paying jobs, unreliable stream of income and risky working conditions.
- Vicious circle of discrimination associated with the location where persons depending on informal livelihoods live.
- In the case of informal settlements, lack of a formal address or identity is particularly problematic.
- Lack of education and poor health further restrict the ability of poor urban residents to access well-paid jobs.
- Transportation costs may be unaffordable, or some residential areas may be disconnected from the network.



III. Resettlement Impacts on Informal Livelihoods

- Relocation may directly affect the transportation cost of getting to and from workplaces and schools.
- Women and youth may be disproportionately affected by resettlement as they may be unable to commute longer distances for safety reasons.
- Resettlement disrupts social networks. When resettled in spread locations, people lose valuable relationships built into the fabric of their former neighborhoods.
- Increase in social and welfare costs, especially those associated with longer commutes.



III. Resettlement Impacts on Informal Livelihoods

- ❖ Rejection and/or resentment of new or relocated households by host communities – due to the perceived social impact of the influx and the additional burden on existing public services and utilities.
- ❖ Insecurity of land tenure is a common characteristic of many informal urban settlements - often due to a lack of affordable, formal developed land in locations that offer easy access to income-earning opportunities for the urban poor.
- ❖ Challenge of ensuring security of tenure for the resettled informal settlers has a ripple effect on their livelihoods.



IV. Potential Mitigation Strategies

- Considering whether or not the affected persons must move to another location,
- Offering support after displacement to restore their livelihood and standards of living, and,
- Providing development assistance in addition to compensation measures such as training, or job opportunities.
- Alleviating tenure insecurity which may enhance opportunities for the affected persons to use their land or houses as productive assets, reduce anxiety about forced eviction, and improve usage of income-earning opportunities in formal markets.

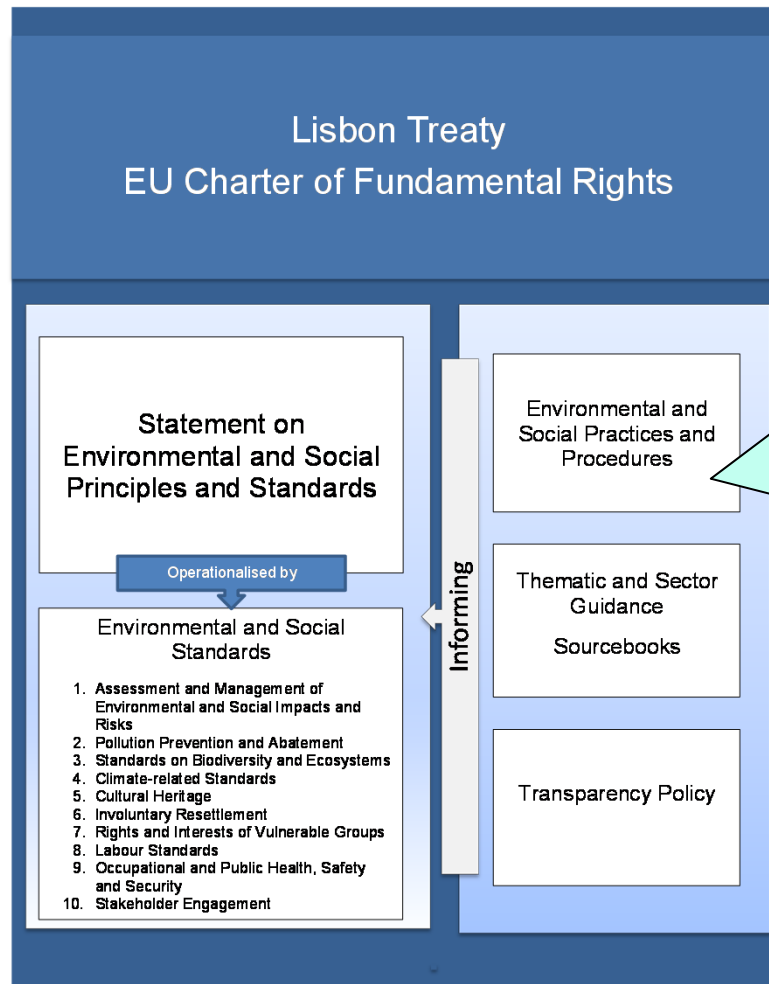


IV. Potential Mitigation Strategies

- **Understanding social networks and livelihoods** - through an upstream, comprehensive social analysis - in the project affected areas is vital for social sustainability.
- To **address connectivity issues**: establish linkages with transport projects to identify transport subsidies as an important policy option.
- **Consulting resettled people** for their location preference, based on both economic opportunities and social relationships and affiliations.
- To **deal with host community**: ensure some degree of equity in the quality and reliability of infrastructure services for both host and resettled communities, and facilitate consultations and trust-building measures with host communities prior to actual resettlement.



V. Relevant EIB Social Sustainability Framework



Incl. alignment with EU Strategic Framework and Action Plan on HR and Democracy (2012), UNGPs for Business & HR (2008), Renewed EU Strategy 2011-2014 for CSR, the OECD Guidelines for Multinational Enterprises (2008), ILO conventions, ...

EIB E&S Standards apply to all regions; all types of financing; both public and private sector projects; throughout the project cycle

V. Relevant EIB Social Sustainability Framework

- ▶ Since 2013, explicit reference to *international human rights law* explicitly included throughout the social standards;
- ▶ *S1 on Assessment and Management of Environmental and Social Impacts and Risks* - aligned with steps outlined in the UNGPs, esp. with regard to grievance mechanisms, communication and reporting; stakeholder engagement;
- ▶ *S6 on Involuntary Resettlement* highlights the alignment with the international human rights law - specifically rights to property, adequate housing and standard of living and food;
- ▶ *S7 on Rights and Interests of Vulnerable Groups* ensures respect for the human rights and livelihoods of vulnerable groups; links the concepts of vulnerability, impact and the requirements for equal treatment (the principle of non-discrimination); and ensures Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples and in cases of specific initiatives such as REDD+ (extending the right to FPIC to non-indigenous, forest communities, too)

VI. Project Example of Resettlement





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- ❖ Belgrade Sava Bridge Project in Serbia: construction of new road sections in the City and a new cable bridge over the Sava River
- ❖ Need for physical resettlement of an informal settlement with 93 families (mainly Roma), based on 2010 census – today 49 HHs
- ❖ A Resettlement Action Plan (RAP) developed and endorsed by the City in June 2012 to mitigate adverse impacts and improve the living standard of project affected people
- ❖ The affected population largely involved in informal collection and recycling of scrap metal, PVC and glass.
- ❖ Delays in RAP implementation due to changes in the City leadership, procurement issues, difficulties in finding the locations for housing units, and the floods that hit the region in Spring/Summer 2014.
- ❖ The City is constructing new housing units at two locations in 2014.
- ❖ The operation has been continuously monitored by CSOs and media.



VI. Project Example: Key RAP Strategies



Opportunities

- Formal job opportunities in the city utility company
- Seasonal jobs in the agricultural corporation
- Connection with formal recycling initiatives

Assets

- Subsidized, long-term social housing contracts
- Access to public services (e.g. health, education)

Safety Net

- Issuance of IDs for all project affected
- Ensuring access to the entitlements and support in the existing social welfare system



VI. Project Example: Key Issues and Challenges

- ✓ The affected population: squatters, **marginalized**, heterogenous.
- ✓ Broader context of **social inclusion of vulnerable groups** go beyond the remit of EIB and can only be addressed by appropriate local institutions and authorities.
- ✓ Promoting the **improvement rather than sole restoration of the living standards** of affected families is challenging.
- ✓ **Preference for continuation of informal livelihoods** among most affected persons.
- ✓ Difficulties in finding the locations for new housing and gaining the **acceptance of newcomers by host communities**.
- ✓ Difficulties in **maintaining the trust** and dialogue with the affected families after numerous resettlement delays – consultation fatigue.
- ✓ **Limited client capacity** and involvement of several government agencies.
- ✓ **Liaising with CSOs** following the resettlement process is resource intensive.



VII. Key Issues and Challenges: Questions



- What are the common successful strategies of providing opportunities for formal employment to people relying on informal livelihoods?
- What are the successful strategies for dealing with impacts on informal livelihoods when the competencies of the implementing agency are limited?
- What are the reliable indicators for measurement of results in terms of livelihood restoration that can be attributable to the project?
- What should be the exit strategy for livelihood restoration interventions by international financial institutions/project implementers?



THANK YOU

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