

**Livelihood Substitution:
*Mainstreaming the poor in
urban infrastructure and
services development***

**Inception report
(without appendices)**

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with

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February 2003



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Rouse, J.R. and Ali, S.M. (2003) *Livelihood substitution inception report*, WEDC, Loughborough University, UK.

This document is an output from a project funded by the UK Department for International Development (DFID) for the benefit of low-income countries. The views expressed are not necessarily those of DFID.

Designed and produced at WEDC.

Glossary

I&S	Infrastructure and Services
KaR	Knowledge and Research
SEIA	Social and Environmental Impact Assessment
SL	Sustainable Livelihoods
SWE	Small Water Enterprises
WEDC	The Water, Engineering and Development Centre Loughborough University

Table of contents

1.	Introduction	1
	1.1 What is this research contributing?	1
	1.1.1 Demand for research	1
	1.1.2 Links to poverty	1
	1.2 Overview of project progress	1
	1.3 Issues emerging	2
2.	Review of existing knowledge	5
	2.1 Literature survey	5
	2.1.1 Scope of the survey	5
	2.1.2 How the review was undertaken	5
	2.1.3 Key literature and literature database	7
	2.2 Focused reviews undertaken	7
	2.2.1 World Bank Environmental and Social Impact Analysis	7
	2.2.2 Sustainable Livelihoods Approaches	8
	2.2.3 The CARE UK perspective	8
	2.2.4 Other studies	9
3.	Interviews, workshops and publicity	10
	3.1 Interviews and discussions held	10
	3.2 Workshops held	11
	3.2.1 Sussex University Sustainable Livelihoods Workshop	11
	3.2.2 Kolkata project workshop	11
	3.2.3 Inception Workshop at WEDC	11
	3.3 Publicity	12
	3.3.1 Network development	12
	3.3.2 Web site	12
	3.3.3 Project flyer	13
4.	Phase I case studies and progress	14
	4.1 Solid waste management	14
	4.2 Water vending	14
	4.3 Fuel switching	15
	4.4 Transport projects	16
	4.4.1 The Dhaka Urban Transport Project	16
	4.4.2 The Lyari Expressway – Karachi	17
	4.5 Other progress in Phase I	17
	4.5.1 Other case studies	17
	4.5.2 Problem areas	18
5.	The way forward: Phase II	19
	5.1 Drawing Phase 1 outputs together	19
	5.2 Case study selection	19
	5.2.1 Criteria for selection	19
	5.2.2 Other issues	20
	5.2.3 Case-studies selected	20
	5.3 Research strategy for Phase II	22

	<i>5.3.1 Methods</i>	22
6.	Plan of outputs and activities up to 2004	24
	6.1 Outputs and activities	24
	6.2 Dissemination strategy	25
	<i>6.2.1 Statement from Section 3.4.2 of Project Proposal</i>	25
	<i>6.2.2 Present thinking on dissemination strategy</i>	25
7.	Summary	29

Executive Summary

This document constitutes the first output from the Livelihood Substitution KaR project (R8176). It has been written towards the end of Phase 1, and describes the progress made up to the end of February 2003. It includes a review of literature, a description of overseas research and fieldwork undertaken, details of discussions and workshops held, and an analysis of all information and data gathered to date.

In line with the log frame, Phase 1 is not yet complete. Fieldwork is still continuing in India (final reports from this are yet to be submitted) and other reports have only been with the project manager for a matter of days. On 27 February the Inception Workshop was held at WEDC. Attended by 20 specialists from a variety of fields, this workshop generated considerable new knowledge and thought on this project and its direction, some of which is reflected in this report.

With a few exceptions (detailed in this report) everything detailed in the original project proposal and log frame has been completed as planned. The project team is very pleased with progress made to date: overseas collaboration has been strong and effective, considerable interest has been shown the project, workshops have been successful and enlightening, and findings to date suggest that this project has genuine potential to contribute to poverty reduction in urban areas of low income countries.

1. Introduction

1.1 What is this research contributing?

1.1.1 Demand for research

In writing the proposal for this research, we felt we were responding to a demand for a way of understanding those who are adversely affected by urban infrastructure and services (I&S) development, both by those responsible for implementing development projects, as well as those who are affected. In the course of the last five months, considerable interest has been shown in this project because of its focus on these disadvantaged groups, and because of the fresh angle being taken on infrastructure and services development. We feel very encouraged by this response, and take it as strong evidence of demand for answers.

The project Inception Workshop was also an encouraging source of evidence of demand, as considerable interest in the project was shown by a wide range of participants, keen to see practical outcomes and answers from this research. The Inception Workshop is referred to in more detail in Section 3. The proceedings of this workshop are attached to this report in the Appendix 8.4.

A review of literature has revealed that no such tools capable of assessing and helping to mitigate the negative effects of infrastructure and services development in urban areas exist at present. Some tools, such as social and environmental impact analyses, go some way towards identifying problems with development projects, but these are not focused on livelihoods. They also tend to concentrate on beneficiaries, rather than those who are adversely affected. Initial fieldwork in our Phase I case studies has shown that even where such tools are available, they are often not used, or not responded to. This research aims to respond to this, by producing practical tools which focus on the livelihoods of adversely affected people, which fits into the project planning and delivery process.

1.1.2 Links to poverty

This research is strongly linked to poverty alleviation and we are confident that, if findings are carefully disseminated and awareness of these issues is raised amongst the right people (see Section 6 on Dissemination), a real difference could be made to the lives and livelihoods of a large number of the urban poor in low income countries. It is intended that the outputs from this research will be directed towards those involved with urban infrastructure and services planning, as well as national poverty policy planning, for example developing PRSPs. These are the most effective current processes to make widespread differences to people's lives through policy change.

1.2 Overview of project progress

This project has now been running for five months. In this time considerable progress has been made by researchers here at WEDC, as well as by collaborators

elsewhere in the UK as well as overseas in India, Pakistan, Bangladesh, Ethiopia and various East African countries.

The following activities have been undertaken:

- awareness raising -- 1000 project leaflets distributed
- literature review
- focused reviews/ specialist studies
- overseas case studies
- interviews and discussions
- links established with other KaR project research organisations
- development of methodology for Phase 2
- three workshops held in India and the UK.

These activities are described in more detail in later sections of this report. In summary, however, a total of seven individual reports have been submitted (two more are to follow from India), five preliminary case studies have been undertaken, around fifty people have been consulted through personal contact or workshops, and many more have shown interest in this project as a result of our early awareness raising. A number of the outputs are included with this report as appendices, and their content is referred throughout.

1.3 Issues emerging

At this early stage in a project it is difficult to consolidate the considerable materials amassed into key findings and issues. However, certain issues have been repeatedly emerging, and some of these are outlined in this section. This list should not be seen as an exhaustive list of issues.

- Livelihood substitution is not considered in most urban infrastructure and services projects, with notable exceptions (e.g. those funded by certain international donors, or co-ordinated by certain NGOs). Where the livelihoods of the urban poor are considered through an environmental/ social impact assessment for example, in many cases there is no practical response to the findings.
- Most government-funded and planned projects do not consider impacts on livelihoods, and even where such analysis is undertaken the capacity to respond to findings does not always exist. This is an important consideration of this project, particularly in terms of where and how advocacy and dissemination efforts are directed. It is also important to recognise the capacity required in organisations to analyse livelihood implications. These may be considerable.
- A number of the case studies have also highlighted the problems of corruption and vested interest amongst those charged with assisting the disadvantaged in certain urban development projects. This is another barrier to livelihood substitution which needs to be considered carefully in this research. Corruption was found to be prevalent in the system of compensation for displaced people along the path of the Lyari

Expressway. The poor were powerless against corrupt officials, who were claiming compensation intended for displaced people, for themselves. In other examples, it has been found that compensation has been distributed according to the political persuasion of beneficiaries, with certain groups losing out as a result.

- It is clear that both the process and the outputs from this research will be capable of contributing to the development of more pro-poor government policies, PRSP processes and HIPC targets. This has been feeling of a number of our collaborators and those we have consulted, and is important in terms of impact of this research. This bears further witness to demand for this research.
- It is important to ask why organisations/ government's should wish to consider livelihood substitution in urban development projects. This issue has been raised in workshops and in discussions with certain local collaborators. The concept of 'carrots' has been developed, where economic, sustainability, or even prestige can be used as incentives for organisations to consider livelihoods of the urban poor.
- In Phase 1 the research strategy has been broad, covering various sectors, NGOs, government and donor policy, and diverse geographical regions. This open-ended approach was intentional, and has given the project team a broader perspective of the issues.
- As a result of the initial broad research in Phase 1, the need to be focused in Phase 2 and to develop more specific outputs has become clear. This issues discussed in more detail in Section 6 on Dissemination.
- Disaggregating 'urban infrastructure and services development'. The Inception Workshop proved particularly useful in understanding the characteristics of different forms of infrastructure and services, and their associated development projects. Different forms of infrastructure and services require large labour/livelihood inputs at different stages. For example, solid waste management produces livelihood opportunities on an ongoing basis whilst a road building project requires large labour inputs at the outset, but relatively low inputs for ongoing maintenance. Water/ fuel supply are likely to have similar characteristics to solid waste. A distinction was also drawn between developments which occur relatively instantaneously (e.g. construction of a flyover) and those where changes are more gradual (e.g. effects of a policy to change fuel use).
- Quantity and quality issues. There have been various discussions about how many people are adversely affected by urban infrastructure and services development projects, compared to the number, and nature, of those positively affected. This has raised questions about *how* people are affected. For example, in a transport infrastructure development project, sustainable livelihoods may not be directly generated, but the improved transport network may result in more commercial or industrial activity, and thus the creation of job opportunities. We intend to continue to carefully consider quantitative issues in Phase 2 of this project, and

have, in Phase 1, developed more of an understanding of the complex nature of this issue.

- Issues of formalising livelihoods. This is an important issue which relates to the fact that despite the disadvantages of working in the informal sector (no guarantee of work, no formal insurance, no steady salary) many individuals appreciate certain aspects of informal sector work, such as freedom, independence and not having a manager. It is important for us to understand these issues, because one of the results of livelihood substitution will often be a formalisation of livelihood activities. This is further discussed in Section 4.1, which describes a study undertaken by a collaborator in India.

2. Review of existing knowledge

2.1 Literature survey

Three researchers at WEDC has been involved in undertaking a detailed literature survey around the subject of this research project.

- Tricia Jackson identified a number of key documents and details of projects where such livelihood considerations had been made.
- Felix Addo-Yobo (an ex MSC students from WEDC) also undertook an initial review. Parallels with current issues under debate such as the impact on employment of globalisation and rural-urban issues, which in turn led us to further appreciate the need to focus this research, namely around urban infrastructure and services development *projects* in low income countries. His work also considered the UK development scenarios. (These were further considered in the Inception Workshop)
- Clare Jackson undertook the main literature survey. This review forms the basis of the following sections.

Full copies of the literature survey are attached to this report as Appendix 8.6.2 and 8.6.3.

2.1.1 Scope of the survey

An extensive literature search was carried out examining urban livelihoods, with particular reference to infrastructure and services development. Web and database searches were performed along with a review of the literature available at the WEDC Resources Centre.

2.1.2 How the review was undertaken

Web searches

The search engine GOOGLE was used to undertake internet searches. The keyword search **sustainable livelihoods** resulted in connection with many very useful organization websites from which further links were gained and explored. Other useful keywords entered were:

- urban infrastructure
- urban livelihoods
- livelihoods, infrastructure

However, it must be noted that when searching with such a wide reaching search engine hundreds of results are given and the searcher must make decisions on whether all information is relevant to the topic being researched. In addition, many sources of information are repeated.

Database searches

Several databases were searched for this review. These included:

- OCLC

Article First

GEOBASE

WorldCat

- British Library of Development Studies (BLDS)
- Cambridge Scientific Abstracts (CSA)

ASSIA (Applied Social Sciences Index and Abstracts)

Social Services Abstracts

Sociological Abstracts

- BIDS

International Bibliography of Social Sciences (IBSS)

- Web of Science

Social Sciences Citation Index (SSCI)

Searches were carried out in all of the databases using the keywords:

- development
- employment
- employment creation
- of enterprise
- informal labour
- informal sector
- infrastructure
- job creation
- labour intensive employment
- livelihood*
- poor
- poverty
- services
- sustainable
- urban
- urban employment

Generally combinations of these keywords were used, for example, **livelihood* and infrastructure** or **sustainable and urban and livelihood***. Limits were put on the documents retrieved. Only those from 1992 onwards were viewed, all foreign language documents were excluded and generally only documents with a developing country focus were selected.

The WEDC Resources Centre was searched for information in a similar way and the most recent journals (ASIST, Development and Cooperation, Environment & Urbanization, Habitat Debate, International Development Planning Review) were also examined.

2.1.3 Key literature and literature database

Certain documents and organisations have proved to be key sources of information. Literature from the review identified as being of medium to high relevance to this research (classified 2* and 3* respectively) is listed in Appendix 8.6.1. This list is a report from a literature database written to contain, organise, and enable easy sharing of literature collected for this research project.

2.2 Focused reviews undertaken

The following sections outline the purpose of and main points emerging from the focused reviews undertaken.

2.2.1 World Bank Environmental and Social Impact Analysis

A review of The World Bank's work on the Social Impact Assessment was carried out by Dr Mansoor Ali. The World Bank is the largest funder of infrastructure and services development and they have developed a comprehensive set of social impact assessment tools, building on experience over 20 years. In the period between 1980 and 1984 Sociological Appraisal guidelines were developed by World Bank staff. Having been used in number of projects and gradually modified, in 1999 The World Bank mainstreamed the guidelines in all their supported programmes.

The core of the Bank's approach is as follows:

- The guidelines are useful around a set of Projects/ Policy
- There is a strong emphasis on Stakeholders Participation
- Institutional Arrangements include both formal and informal
- Consultation with NGOs is seen as a key element
- The assessment focuses on the social development outcomes of the project.

Throughout the guidelines there is a very strong emphasis on the continuity of the process of impact assessment.

The following issues arose during the review, some of which this research will seek to directly respond to:

- While a number of concepts of the Sustainable Livelihoods framework have been used, the approach is not mainstreamed as such. We will consider how a 'livelihoods substitution tool' may be better mainstreamed.
- The bank guidelines are based around project objectives and consequently give more importance to the beneficiaries. Adverse impact on a small group is not the main focus of the guidelines. There is a need to look more closely into the livelihood opportunities and effects on assets from the intervention. This research will look into the various groups which will benefit from development interventions, as well as those who are adversely affected.
- The banks' approach is targeted to policy reforms and/or assume a group of projects. It may not be possible to apply their guidelines to a single sub-sector or a project. Guidelines developed for livelihoods substitution will hopefully fill this gap, and be sector/ project specific.
- The guidelines are not specific to infrastructure and services.

- The case studies published by the bank using the social impact approach show some major variations. The approach recommends use of existing fieldwork methods and the quality of the process depends on individuals skills and commitment.
- Finally, the bank's approach assumes a certain institutional capacity to carry out the assessment, which may not exist.

A copy of the full report by Mansoor Ali is attached to this report as Appendix 8.2.1.

2.2.2 Sustainable Livelihoods Approaches

This review, entitled 'A review of sustainable livelihoods approaches and the impact on the provision of urban services and infrastructure' was undertaken by Cathy Butcher. Its purpose was to develop our understanding of the relevance of sustainable livelihoods (SL) approaches in urban infrastructure and services, and how the principles of SL might be employed in pro poor planning.

The review involved a brief overview of different sustainable livelihoods approaches, drawing out some of the main differences and similarities, and their implications. The report went on to discuss the potential contributions of SL approaches in pro poor planning of urban I&S, and exactly how they may be used to identify livelihood substitution opportunities. Distinctions were drawn between the poor as beneficiaries in terms of service providers and service users, and a number of case studies were cited illustrating the livelihood impact of I&S projects. The relative lack of literature and experience relating to the use of sustainable livelihoods in urban areas was also highlighted, but the potential for its use was also identified.

A copy of the full report is attached to this report as Appendix 8.2.2.

2.2.3 The CARE UK perspective

This review was undertaken by Liza Tong and David Sanderson of CARE UK. The purpose of this report was twofold: partly to identify synergy between the livelihood substitution projects and KaR R 7883 'Sustaining livelihoods by community solid waste management' being undertaken by CARE, and also to learn from the project planning and delivery mechanisms used by CARE which effectively account for livelihoods.

The report outlined CARE's understanding of vulnerability and its tools for assessing needs in project assessment, design and monitoring. It particularly focuses on the use of understanding and identifying vulnerable groups within development projects, such as the 'Do No Harm' and the 'Benefit/Harm' analyses. A number of projects are described, such as the Livelihoods Monitoring Project in Bangladesh, to illustrate the approaches used.

We are keen to build on the findings of CARE's research project on livelihoods from solid waste management. Synergy between the two research projects has been discussed, and scope for involvement in Phase II is still under discussion.

A copy of the full report is attached to this report as Appendix 8.2.3.

2.2.4 Other studies

Arif Hassan, as a part of his Karachi Lyari Expressway study, also described the involvement of the Asian Development Bank, and the way in which they had influenced the social impact analysis that has been undertaken in Karachi. He stated that at present no procedure is in place in Pakistan which forces of the government to consider livelihoods in a project like the Lyari Expressway. The Asian Development Bank, a major funder of infrastructure projects in Pakistan, has developed a number of policies, one of which is a policy for involuntary resettlement. This appears to have been followed to degree, but little other mitigating action has been undertaken.

Chari Srinivas, of ASCI (our collaborator in Hyderabad, India), is undertaking a review of Government policy in Andhra Pradesh with a specific focus on transport infrastructure projects. This study is not yet completed, but promises to constitute a key document in developing an understanding of how Governments undertake Social/ Environmental Impact Assessments (SEIAs), *why* they undertake them, and what effect they ultimately have on development projects. One of the reasons that SEIAs have been mainstreamed in Andhra Pradesh, is because of the co-funding by the World Bank, which, like the Asian Development Bank, insists upon such studies being undertaken.

The output of the study is expected by the end of March, in line with the log frame.

Note: the detailed inception report is attached to this report as Appendix 8.2.4.

3. Interviews, workshops and publicity

3.1 Interviews and discussions held

A considerable number of people have been consulted in the course of this research project, giving the project team the benefits of rigorous questioning, advice and comments from a wide range of practitioners, researchers, and policymakers. We have also involved a number of specialists from WEDC, drawing on the rich resources that exist within this organisation.

In addition to those mentioned in the proposal, some of the key informants for this project to date include:

From WEDC:

- Dr. Cyrus Njiru - Water Utilities Specialist, Co-Project Manager on KaR project R8060 '*Better access to water in informal urban settlements through support to water providing enterprises*', which we are linking closely with.
- Dr Andrew Cotton - Urban Development Specialist, Director of WELL, The Resource Centre Network for Water, Sanitation, and Environmental Health.
- Kevin Samson – Programme Manager at WEDC, Specialist in management and institutional development with particular interest in water utilities management, municipal engineering and private sector participation.

In addition, Dr Julie Woodfield has been involved in developing our dissemination strategy. This is covered later in Section 6.

DFID India

- Sudipto Mukerjee
- Srinivasa Rao
- Meenakshi Nath
- Arjen De Haan

CARE India

- N. Madhuri, Sandhya Venkateswaran, Kishore Singh

Other

- Professor Malcolm Harper. *Principal project reviewer*
- Peter Barker - Economist. *Interviewed about existing procedures for project assessment, from an economist's perspective.*

3.2 Workshops held

Three project workshops have been held to date, and all have constituted a rich source of ideas, knowledge, criticism and direction for this project. The following paragraphs provide some background information on the workshops held. Full details of the workshops can be found in the appendices.

3.2.1 Sussex University Sustainable Livelihoods Workshop

This workshop was held in November 2002, for postgraduate international development students from the Centre for the study of Culture Development and Environment, Sussex University. It was facilitated by Jonathan Rouse.

Although the focus of the workshop was on sustainable livelihoods, all of the case study material related to this research project. Students were asked to discuss solutions to development scenarios which resulted in the loss of livelihoods for the poor. The students' outlook provided valuable insight into some of the case studies, which included installation of water supply, introduction of credit facilities, a road building programme, and improved solid waste management projects.

3.2.2 Kolkata project workshop

This workshop was held on 22nd November 2002, on the last day of the WEDC Kolkata Conference, and was facilitated by Jonathan Rouse. It was attended by ten people, including livelihoods specialists, representatives from NGOs in South Asia and the Middle East, the EU (Urban Development Department) amongst others.

The workshop provided an opportunity very early on in the project to discuss issues such as why this project is important, for whom, how findings can be disseminated and 'make a difference', as well as discuss and present the progress to date.

Many participants in this workshop were highly critical of the project, and the facilitator was left with many questions about the project and its focus and direction, some of which he was unable to answer at the time. This was, however, a useful process to go through, and affected progress over the coming months.

3.2.3 Inception Workshop at WEDC

The Inception Workshop was held on the 27th of February 2003, and was hosted by WEDC. This constitutes a pivotal point in the progress of this KaR project. The workshop was attended by 20 specialists from the following organisations:

- CARE International
- GHK Consultants
- ITDG
- IT Consultants
- Max Lock Centre
- GY Associates
- WSP International Management Consulting
- Loughborough University Geography Department

A number of Independent/ Freelance individuals also attended, along with three specialists from WEDC.

The purpose of the workshop was, in line with the log frame, to:

- present progress and findings from Phase 1 and invite discussions and critical feedback,
- proposed case studies for Phase 2 and discuss methodology,
- exchange ideas on how this research can be most usefully taken forward and disseminated.

Participants were presented with a background information to this project, and provided with an overview of the progress made to date. Dr Mansoor Ali and Cathy Butcher then outlined their focused studies on the World Bank Social and Environment Impact Assessment and Sustainable Livelihoods for urban infrastructure services, respectively. Five case studies undertaken overseas in Phase 1 were then described in some detail. The afternoon was spent in groups discussing:

- methodologies for case studies in Phase 2, and
- outputs and dissemination strategy.

Extremely positive feedback has been received from participants at this workshop, which involved many challenging questions and insightful comments and encouragement. It very much broadened the project team's perspective on the project, and particularly contributed to the vision for Phase 2 and the dissemination strategy.

The comparison between the Kolkata workshop and the recent Inception Workshop bears testimony to the progress has been made by the project team in the last three months.

3.3 Publicity

3.3.1 Network development

This research has generated considerable interest amongst researchers, practitioners and policymakers. Many people have come to hear about the project through the project leaflet and web site (see below) as well as through attending workshops here in the UK and in India. As a result of people's interest in being kept informed of the results as they emerge, we have developed a contact list specifically for disseminating information emerging from this research project.

This list is attached to this report in Appendix 8.1.1.

3.3.2 Web site

As per Output 4 in the proposal, we have developed a web site which details project background, key information, contacts as well as details of progress. We have kept this updated, and intend to continue to do so as the project develops.

A print of the web site is attached to this report as Appendix 8.1.3.

3.3.3 Project flyer

As another way of widely informing people of this research project, we developed a short glossy leaflet (a flyer) providing the reader with an outline of the project and its aims. We mailed this to around 1000 people, and received many responses in the form of expressions of interest, offers of collaboration, and requests for further information.

A copy of the project flyer is attached to this report as Appendix 8.1.2.

4. Phase I case studies and progress

4.1 Solid waste management

This study, entitled 'livelihood substitution in organised waste collection' was undertaken by Sanjay Gupta of a collaborating NGO in Delhi called Srishti. It was based on a number of community-based solid waste management projects which they have initiated in low income areas in Delhi. In these projects they have sought to re-employ waste pickers, and other informally employed individuals who relied on poor waste management. Srishti have also undertaken considerable research in the past with waste pickers, and were able to shed light on some of the issues of formalising livelihoods which is of great interest and relevance to this research. Some of the issues identified relating to formalisation include waste workers appreciating the freedom of self-employment, and fearing having a manager who may mistreat them or appropriate their wages.

The research included a local literature review to identify information about projects which have sought to employ waste pickers in organised waste collection programs, and about the issue of formalising livelihoods. The study also details a number of examples of community-based waste management projects where different numbers of informal waste workers have been employed in different ways.

A full copy of the report from Srishti is attached to this report as Appendix 8.3.1.

4.2 Water vending

This case study is drawn from another KaR project being undertaken by WEDC, for which the project manager is Dr Cyrus Njiru. This project (R8060) is entitled "*Better access to water in informal urban settlements through support to water providing enterprises*". It is looking at mechanisms through which small scale informal sector service providers (small water enterprises, SWEs) can be linked to formal water provision by water utilities, for the benefit of SWEs, the water utility and the poor urban consumers.

The Principal researcher for R 8060 is also a member of the research team for this project. Useful discussions have been held and there is considerable potential for this research project to develop R 8060 Phase 1 outputs. In particular, Phase 1 of the SWEs project comprises in-country field research in five locations in Sub-Saharan Africa, and the outputs from R 8060 include five detailed country status reports (or case studies) on SWEs. Each case study will summarise the constraints and opportunities for enabling SWEs provide affordable water services to the urban poor, and the potential for SWEs to engage with the formal water sector (water utilities) for mutual benefit.

Summary of initial findings from the SWEs project

The general findings, conclusions and recommendations emerging from the inception phase of R 8060 are (Njiru and Smith, 2002):

- Small-scale independent (private) water providers (small water enterprises, SWEs) are playing a crucial role in meeting the water requirements of a high proportion of the urban population in developing countries. For instance, a study of 10 cities in Africa and Latin America found that between 15% and 60% of the urban populations were served by SWEs (Wegelin-Schuringa, 1999). While precise figures of the urban poor served by SWEs will vary, it is clear that substantial numbers of the urban poor rely on SWEs for their water supply. SWEs often comprise the poor, and thus support for SWEs is therefore also support for the poor. The role of SWEs therefore needs to be recognised by utilities (both public and private) and policy makers; hence there is a need for advocacy and appropriate support mechanisms.
- SWEs fill the gap left by water utilities, but are believed to account for vast quantities of water used for domestic purposes by the urban and peri-urban poor in developing countries. SWEs operate wherever there is a need, regardless of whether the prevailing political climate is enabling or hostile. The drive is thought to be due to the need for the poor SWEs to meet their livelihoods, even as they meet the water requirements of the poor.
- SWEs face a wide range of constraints in their operation, many of which are location-specific. For instance, in some locations, problems faced by SWEs may include: difficulties in obtaining licenses to operate the water business; difficulties in obtaining “permission” from village based power brokers (cartels); technical difficulties related to water sources and transportation; and vandalism of competitors’ installations by SWEs to discourage competition from new entrants. A possible approach to overcome these constraints is through recognition and development of appropriate win-win partnerships or other appropriate contractual relationships with utilities.
- In the foreseeable future it is likely that informal settlements will continue to exist. It is unlikely, however, that water utilities will keep pace with urbanisation, and meet the water requirements of people living in informal settlements in the immediate and medium term. It is therefore probable that the role of SWEs will continue and even increase in the foreseeable future.

Project R 8060 has recently received sanction to proceed to Phase 1, during which in-country research will be undertaken in five countries in Sub-Saharan Africa.

4.3 Fuel switching

This case study is based on a recently completed KaR project carried out by ESD of Bath, UK. The project is entitled ‘Fuel Substitution: poverty impacts on traditional biomass fuel suppliers’ (R8019). ESD have undertaken a study of the livelihoods of those, usually poor people, who supply traditional fuels (e.g. wood, charcoal) in urban areas in Uganda, Kenya and Ethiopia. There is a trend in urban areas of developing

countries towards the use of what are described as high-grade fuels, such as kerosene, and petroleum gas. The use of these can result in lower, and often less harmful, emissions and pollution, and switching to these fuels is being encouraged either by legislation or subsidies.

As a result of the fuel switching process, ESD looked at the effect of the new fuel use habits on the traditional fuel vendors, transporters, and suppliers. The objectives of study were:

- to determine the livelihood impacts of fuel switching
- to try to integrate these impacts into cost benefit analyses of fuel switching
- to identify ways of mitigating negative livelihoods impacts.

In their research, ESD made extensive use of the sustainable livelihoods approach in order to understand the dimensions of impacts. They found that both men and women were involved in the provision of traditional fuels: women were mainly involved in small-scale vending, whilst men were more involved in transportation and larger wholesale trading. While they did consider the impacts of fuel substitution and possible ways of mitigating negative impacts, they are very keen that we pursue this further to add focused and practical value to the considerable research undertaken by them.

4.4 Transport projects

A number of transport-related projects have been used as case studies in Phase I. Our collaborators in Hyderabad, India (ASCI) are using some transport examples in their study of policy relating to livelihoods and social impact assessments. The two main transport case studies, however, have been undertaken in Dhaka and Karachi.

4.4.1 The Dhaka Urban Transport Project

Dr Noor Kazi undertook a short study of the Dhaka Urban Transport Project. This project is funded by the World Bank and the Government of Bangladesh. Broadly, the project is intended to provide 'efficient, affordable and sustainable transport system in the metropolitan area of Dhaka'. The project has various aspects and elements, including policy, physical infrastructure development, community participation, cost recovery and private sector involvement.

A social and environmental impact assessment was undertaken, but this is said to have had little effect on project design and activities. In reality, the project has to date affected many people in a variety of ways, such as causing resettlement from flyover/ road building and affecting the work of hawkers and rickshaw drivers. Little work has been undertaken relating to the possibility of mitigating negative impacts, or on livelihoods substitution.

The full report from Barker is included as Appendix 8.3.4

4.4.2 The Lyari Expressway – Karachi

Arif Hasan of the Karachi Urban Resources Centre undertook a review of this project in Karachi, and of the social impact assessments that have (or have not) been undertaken as a part of it.

The Lyari Expressway is a large urban transport development project, whereby a large elevated section of road is being built through the centre of Karachi, with a view to relieving some of the traffic problems. This has resulted in the large-scale displacement of people from areas along the riverside where the expressway is being built. This has resulted in not only the loss of housing but also in the loss of livelihoods which were reliant on location, such as the recycling industries based close to the source of waste. Although in some instances compensation has been paid to those displaced in the form of land, communities have been split, with inevitable and broad impacts on people's lives and livelihoods.

Arif Hasan's report is included as Appendix 8.3.3. It discusses the project, as well as the nature of social impact assessment that has been undertaken and its effect. This particular links to the Asian Development Bank's analyses which have been adopted.

4.5 Other progress in Phase I

4.5.1 Other case studies

Sulabh toilet complex research in Delhi

A student, Mythri Prasad, from the Delhi school of Economics, is undertaking a short study of the livelihoods substitution aspects of the Sulabh toilet complexes in Delhi.

Micro-finance and money lenders, Zambia

Anuj Jain, CARE International, is a Micro credit specialist who has been involved in Micro credit projects in Zambia.

Links with other DFID projects

After discussions with individuals at DFID Delhi, two DFID-funded projects have come to light which are of relevance to this research. The first is the Andhra Pradesh Urban Services Project (APUSP) based in Hyderabad. Jonathan Rouse made a visit to this project in November 2002, and some areas of overlap were discussed which may be pursued in the future. The second project is the Kolkata Urban Services Project (KUSP), and some discussions have been pursued with Debashish Bhattacharjee in Delhi.

Malcolm Harper's

Professor Malcolm Harper, the main reviewer for this project, has e-mailed his circle of contacts with a view to identifying further small pertinent case studies, including cases from rural areas where lessons could be learnt for this research. This is a

sideline activity -- which has no impact on budget -- but which may serve to enrich the mix of examples we draw from.

4.5.2 Problem areas

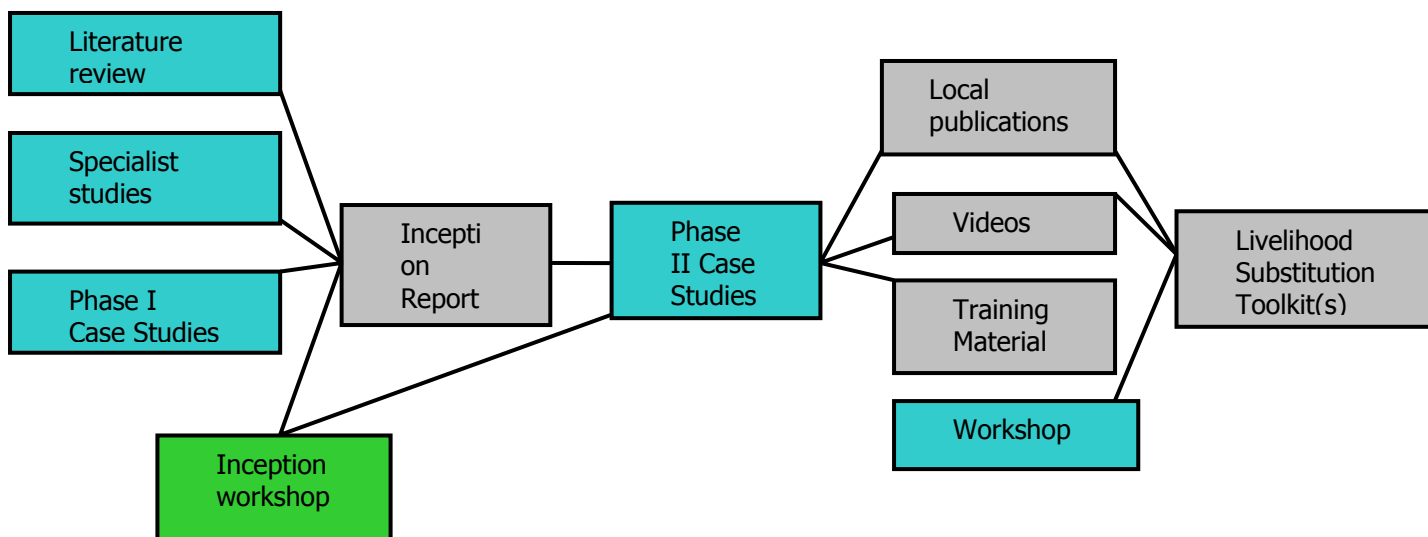
Conceptually, this project has not hit any major barriers, and the project team feel confident that the research is progressing well and moving in the right direction, and are encouraged by the response internationally to the subject. The only problems encountered have been with slight delays.

5. The way forward: Phase II

5.1 Drawing Phase 1 outputs together

The following flowchart illustrates the process of this research project. The chart begins at the left-hand side which details the outputs of Phase I: literature review, specialist studies, fieldwork and inception workshop. These have all contributed to the Inception Report. The inception workshop also directly contributes to the selection of Phase II case studies, which will constitute more in-depth studies of Phase I cases. Continuation of case studies should lend a degree of continuity throughout the research process.

Phase II detailed case studies will ultimately lead to the second set of outputs: local publications, videos, training materials and workshop which will in turn lead to the final outputs.



5.2 Case study selection

5.2.1 Criteria for selection

At the end of Phase I, initial case studies have been undertaken. Using feedback during the workshop, we are in a position to finalise decisions about which case studies to pursue in Phase II.

Broadly, we are aiming for diversity in our case studies in terms of:

- region
- sector
- type (i.e. NGO, government, community-driven), and
- scale.

In the project proposal, we committed to undertake initial case-study research in the following areas:

- energy
- water
- waste
- transport, and
- credit.

We have made progress on each of these areas. In addition, a case study is underway relating to sanitation and livelihoods substitution. This research is still underway, and is being carried out by a University student from Delhi, who is studying the employment trends in the Sulabh toilet complexes.

5.2.2 Other issues

In discussing the selection of case studies to take forward, the project team have considered the question of how small case-studies relate to the 'big picture'. Ultimately, it is hoped that this research could affect a large number of people, perhaps by changing the way in which large infrastructure and services projects are planned and delivered. However, we are choosing to study some relatively small projects which impact few people. We feel that this is still a good route to take, because some of the principles from small projects can be applied to larger contexts. In addition, of course, from a methodological perspective and given the time and resource constraints of the two year research project, we feel it is better to understand small projects in detail than 'scratch the surface' of large projects. As such, we have chosen a selection of case studies, of varying scales.

Another important factor in case study selection, is the strength of local collaboration, as it is upon our local collaborators that we rely for quality research completed within planned time-frames. Although we have experienced some delays, these have been short and collaborators have kept close contact with the project management team, and we feel confident in all of our collaborators' ability to deliver quality research on time.

5.2.3 Case-studies selected

Whilst there is still a degree of flexibility, we are committed to pursue the following case studies in Phase II.

Solid Waste Management in Delhi

Our collaborating organisation in Delhi (Srishti) is strong, and there are a number of pertinent examples of where community-based solid waste management has considered livelihoods. In addition, there is considerable scope for introducing a clear quantitative element to the research.

Fuel switching in Ethiopia

Of the three countries studied by ESD in their fuel substitution KaR project, the collaborators in Addis Ababa were found to be the strongest, and the baseline livelihoods data on fuel vendors is comprehensive. In addition, Addis Ababa is an interesting case study for this research because it is a dynamic situation: new legislation is presently being introduced to bring about fuel switching. Livelihoods are being impacted at present.

Water project in East Africa

The project locations for KaR 8060 entitled “*Better access to water in informal urban settlements through support to water providing enterprises*” are:

- Accra, Ghana, with WaterAid and Ghana Water company as two key local partners
- Nairobi, Kenya, with ITDG as the key local partner
- Dar es Salaam, Tanzania, with WaterAid and Dar es Salaam Water and Sewerage Authority (DAWASA) two key local partners
- Khartoum, Sudan with ITDG as the key local partner
- Harare, Zimbabwe with ITDG as the key local partner

Although R 8060 assumes the need to safeguard livelihoods of SWEs (hence the stated objective of supporting SWEs), livelihood aspects are not the focus of the case studies, but mechanisms to address constraints and achieve the opportunities that can result in a win-win situation for SWEs, consumers and the water utility.

However, there is an opportunity to develop further at least one of the case studies from Phase 1 of R 8060, with a focus on livelihoods aspects of SWEs. At this stage, it is not possible to say which of the case studies is most suitable for pursuing, but now that the second phase of R8060 is underway, the decision will be made within the next few months. The synergy between the two projects will undoubtedly be mutually beneficial.

Transport projects in Karachi and Dhaka

WEDC has long-standing collaborative relationships with both the Karachi Urban Resources Centre (URC) and with researchers such as Dr Noor Kazi in Dhaka. We are keen to pursue studies of both the transport projects in these cities because of the quality of research we feel we can achieve, as well as the relevance of the case studies themselves. In addition to our contacts with the URC in Karachi, we also have contacts with the private-sector contractors who are undertaking work in Karachi. This is an extremely valuable asset, as it enables us to see the project from a different angle, and it likely to be key in helping us to develop our outputs for the private sector. We also have a key contact with the World Bank in Dhaka.

5.3 Research strategy for Phase II

5.3.1 Methods

The research strategy for Phase II consists of a number of elements and is intended to directly build upon findings from Phase I. We are looking to build a picture of the potential and possibility of livelihood substitution in each of the case studies. The emphasis of, and methods used for, research in each of these case studies will be different according to the characteristics and location of each. All, however, will have primary data collection at their core, and this will be gathered using participatory fieldwork methods and semi-structured interviews with those with whose livelihoods we are concerned, as well as a range of interviews with individuals at policy and implementation levels. Our collaborating organisations all have considerable experience in undertaking such research at all levels, and we are confident of the quality of the outputs we will achieve.

The following table indicates the people and methods which will be used in Phase II research.

<i>Level</i>	<i>Who?</i>	<i>How?</i>
Policy	<ul style="list-style-type: none"> - Politicians - Large donors - DFID policy advisers 	<ul style="list-style-type: none"> - Interviews - Study of policy documents - Understanding the policy formulation process
Implementation	<ul style="list-style-type: none"> - NGOs - Municipalities - Consultants - Private sector implementers 	<ul style="list-style-type: none"> - Interviews - Study of projects and project reviews - Study of social impact assessments
Affected people	<ul style="list-style-type: none"> - The poor - Displaced people - Those adversely affected 	<ul style="list-style-type: none"> - Participatory research methods - Focus groups/interviews - Use of sustainable livelihoods principles and approach

Quantitative element

DFID were keen that we introduced a strong element of quantitative research in this project, and we very much agree that this is vital for understanding the impact of projects have, as well as the possible impact of this research.

Quantitative research is going to be emphasised more in Phase II than has been case in Phase I. This is because such research is very resource-intensive and we wished to develop a broad understanding of *many* case studies, at the inevitable expense of gaining an in-depth understanding of any single case, which will be achieved in Phase I. However, the research undertaken in Delhi by Srishti did produce some quantitative data relating to the number of waste workers employed before and after a community-based waste management project was set up. At this

stage, the results are not conclusive, but we intend to develop a more comprehensive understanding of numbers affected for solid waste management in Phase II. Other case studies have discussed and considered quantitative elements without producing any figures.

Quantitative research will be undertaken using interviews and surveys, most often undertaken in low income areas with affected people, but we will also look at official figures and speak to others who have undertaken impact assessments to crosscheck and compare figures.

The other aspect of quantitative analysis is in understanding the extent to which people are affected by interventions and projects. Because we are concerned with livelihoods, and not just *jobs*, we will be looking at changes to people's vulnerability and asset profiles (financial, natural, physical, human, social). Although it is difficult to quantify any of these variables, it is essential to consider implications from the sport perspective. We will build on our considerable experience of using the sustainable livelihoods approach to achieve meaningful research findings in this area.

6. Plan of outputs and activities up to 2004

6.1 Outputs and activities

The following table is adapted from the Project Proposal.

Outputs	Indicators
<p>There will be two levels of output: local and generic. Planned outputs include:</p> <ol style="list-style-type: none"> 1. Short inception report to DFID, detailing progress and presenting literature review. 2. Local publications based on case study findings. 3. Interim report on findings. Summarising initial findings, key literature and key issues. 4. A website (e.g. www.livelihood-sub.org) for disseminating findings, networking, promoting ongoing learning and linking with the existing sites such as Livelihoods Connect. 5. Training videos – local (based on case studies) and a general resource for training purposes. 6. Training materials. Local production and languages where possible. 7. Livelihood Substitution Toolkit. This will consolidate lessons from individual case studies for use across different sectors and countries. It will tackle issues of large / small-scale issues capital / labour-intensive issues informal / formal-sector development issues, and displacement of the poor's housing issues. 8. Local workshops for promotion of livelihood substitution in urban I&S sectors in successful case-study countries. 9. International workshop 	<ol style="list-style-type: none"> 1. End February 2003 2. By October 2003. 3. By December 2003. 4. Started in June 2003, developed and publicised throughout the project. 5. Videos: By end Q2 2004. 6. By end Q2 2004. 7. By end Q2 2004 8. End Q2 2004 9. End Q3 2004

Progress

In addition to completing this Inception Report (Output 1):

- a Livelihood Substitution project web site (Outputs 4) is now online as part of the WEDC web site,
- detailed discussions have begun for videos (Output 5) and

- the livelihood substitution Toolkit (Output 7) has formed the basis of many discussions in project meetings and workshops (see Section 6.2 Dissemination Strategy).

Details of proposed changes to outputs scheduled

A number of small changes are proposed in the light of findings to date and progress made. None of these changes will have any effect on the overall length of the project, or the time at which money is spent.

- Output 2. Local publications. It is proposed that we commit to producing these for the end of Q4 2003, in order to be able to take full account of findings from detailed case studies.
- Output 7. Livelihood Substitution Toolkit. The emphasis in the above table and proposal in general is on a generic Toolkit. As a result of discussions and analysis, it is now very unlikely that we will attempt to produce a generic output, in favour of more focused and more useful sector/region specific outputs. We feel this understanding is one of the key outputs of Phase I.

6.2 Dissemination strategy

6.2.1 Statement from Section 3.4.2 of Project Proposal

WEDC has a strong dissemination team, and Dr. Julie Woodfield will be leading the strategy. There will be local-level and international level strategies.

The local level strategies will be designed according to need and the outcome of research findings. Workshops (including the development of training materials and videos) will be used and local publications (in local languages where possible) distributed. Collaborators have been consulted and it is felt that videos are a particularly valuable tool, particularly in areas with low literacy rates.

The international level strategy will be based around consolidated training videos and materials, an International workshop, publications and a resource website which will be running and developing throughout the project. The International workshop will play a strong part in promoting the work and approaches.

Past experience in large research projects has shown that the final output, in this case some form of Livelihood Substitution Toolkit will be most usefully disseminated gradually, according to demand. The research team – particularly at WEDC – will have also built up considerable expertise in this area during the project and will as such will be able to further disseminate findings through consultation and dialogue into the future.

6.2.2 Present thinking on dissemination strategy

Present thinking on the dissemination strategy is very similar to that envisaged when that the proposal was written, with one notable exception: the final output. The final output was intended to be a generic Livelihood Substitution Tool, but it is now

understood that a set of more specific tools are required for effective advocacy, and practical assistance, relating to livelihood substitution.

One hour of group work during the Inception Workshop was devoted to discussing the dissemination strategy and outputs for this project. Dr Julie Woodfield gave an overview of dissemination issues for discussion, and structured this part of the workshop around brainstorming and in-depth discussion. Katherine Pasteur, a Dissemination Specialist working for Livelihoods Connect at IDS in Sussex was also present. A number of issues emerged, some of which are detailed below.

Why?

When discussing dissemination, it is important to consider why dissemination is taking place, and this was considered by participants at the Inception Workshop. Broadly, we are disseminating in order to:

- raise the profile of those poor whose livelihoods are adversely affected by urban infrastructure and services development,
- directly bring about livelihood substitution in infrastructure and services development.

Who?

The brainstorming exercise produced a long list of possible targets for our outputs, as well as those players who do not constitute sensible targets for dissemination.

Notable amongst these were:

- governments, local authorities, large private sector operators and international funding bodies. These were considered our prime target audience, as it is with these groups that we can best address our dissemination objectives, i.e. they are the people who can make much difference to the poor.
- the urban poor. These are not considered to be a part of our target audience, as the aim of this project is primarily to influence policy and the way in which urban I&S development projects are planned. It is not felt that the outputs from this research would be suitable for mobilising workforces to affecting change.

It is important to shape our dissemination strategy, and choose our target audience, according to the realities of motivations behind organisations' activities. There are a number of examples where local authorities or government departments are now undertaking detailed SEIAs. The reason for this, however, is often related to the nature of funding. In Karachi, Hyderabad and Dhaka where SEIAs have been undertaken, Asian Development Bank (ADB), World Bank, or other (e.g. UN) money has been involved. It is often the donors who demand that such considerations are included in projects, so perhaps this points towards the need not to target governments, but to target those organisations which influence their actions, i.e. funders.

What?

There is any need to be specific in terms of our outputs. Because this project has started out very broad, it is clear that both Phase 2 and its outputs needed to be more focused. It was generally considered that a single generic 'Livelihood Substitution Tool' is unlikely to be useful, but that bespoke tools intended for specific sectors or actors could be.

How?

A particular emphasis was placed on the need to be incisive in our strategy, that is to say aim for *depth* rather than *breadth*, and to concentrate efforts on a few people/ groups rather than spread efforts more thinly across more people/ groups.

There is a need to be bold in our strategy. There was a widespread feeling that it is easy for outputs from research projects such as KaRs to be of little practical value, because of the nature of outputs as well as the way they are disseminated. One of the more radical (and possibly tongue in cheek) suggestions discussed during the Inception Workshop was to spend the entire dissemination budget on informing just a few individuals in, for example, one state in India, because the effects of this on the poor could ultimately be greater than if a book/ report was disseminated to many hundreds of people, but never read.

When?

It was felt that there is a need to disseminate findings throughout the lifetime of the project, and this fits with the dissemination strategy stated in the proposal. In Phase 2 we intend to go ahead with local workshops and the production of videos and training materials based around case studies.

The final output(s) of this project will still be produced towards the end of the project for practical reasons as field testing the tool in some form was considered by Inception Workshop participants to be vital.

Dissemination to the academic community, and beyond

We are also keen to disseminate our findings amongst the wider academic and applied research community. For this we are planning to enlisting the help of Livelihoods Connect (www.livelihoods.org). WEDC has established contact with three individuals working for this DFID funded project: Katherine Pasteur (who attended the Inception Workshop), Carl Jackson, and Katie Norton. Dialogue with Katherine Pasteur has begun on exactly how Livelihoods Connect might best be employed for the benefit of this project.

Dissemination contacts

In Delhi we now have established contact with an Indian documentary maker who is willing to help plan our video breaking in South Asia. In the United Kingdom we have begun dialogue with Mr. Thor Windham-Wright, a freelance film maker who has

agreed to advise on the content and process of video making. Correspondence are attached to this report in Appendix 8.1.4.

7. Summary

The project team is very satisfied with the progress of this project to date.

- Considerable interest has been shown internationally in this research, demonstrating commitment of collaborators and widespread demand.
- Phase I has shown that this research has a good foundation and a potential to contribute to poverty alleviation through making changes on the ground and at policy level.
- The case studies developed in Phase I have produced a strong foundation of a wide variety of examples and experiences. The Inception Workshop was a key milestone in this Phase, and has given us clear direction and thrust for Phase II.
- Logistically, the project has run smoothly and delivered more than was required. Two outputs have been subject to short delays, but none of the collaborators have failed to deliver.

Summary of financial expenditure

- Total Budget for project: £195,960
- Budget for 2002-03: £41,794
- Invoiced (spending) till March, 2003: £41,794

The slight delay in delivering this Inception Report has not resulted in any change to spending this financial year.