

The Sustainable Livelihoods Approach, Infrastructure Financing and Reduction of Poverty and Inequality

The elaboration of the detailed application of the SL approach in operationalizing the PIR strategy for the reduction of poverty and inequality in South Africa is, of course, beyond the scope of this note. The note instead illustrates the implications of the approach for the financing of infrastructure.”

Another donor organisation, DFID of the U.K. is starting to use the SL approach in a major way. The following paragraphs are extracted from the DFID occasional paper (1998), entitled “Basic Infrastructure for Poor People”.

Basic infrastructure includes the provision of adequate water; sanitation (including human and solid waste disposal and drainage); clean and efficient energy; adequate and secure shelter and public buildings; plus the essential information that enables people to utilize these services effectively. In addition, access is required for services available on a less local basis and mobility through safe, affordable transport (including roads, tracks and means of transport) will enable poor people to participate in the economic, cultural and political institutions of society. Basic infrastructure provision relates to facilities that directly impact on the sustainable livelihoods and opportunities of people within their communities.

Development involves more than just meeting poor people’s basic needs - it must also enable those people to escape from poverty and flourish, through having opportunities to improve their standards of living. Basic infrastructure has a key role to play in helping to establish income-earning activities and employment through:

- Development of rural market infrastructure e.g. roads, drains, bridges, market areas.
- Investment in aspects of infrastructure which can overcome constraints on economic activity, especially in the electricity, water and transport sectors.
- Raising the efficiency of existing infrastructure provision e.g. by enhancing energy efficiency
- Improving access to reliable information so that poor people can find out about employment and training opportunities and current market conditions.

Increased spending on basic infrastructure is not sufficient. Whilst basic infrastructure has a key role to play in strategies to eliminate poverty, past experiences has shown that the benefits, even of basic infrastructure, can be captured by the rich. The provision of water supply, for example, does not automatically ensure that the poor will benefit. The questions of who controls the pumps, and how access is determined, need also to be addressed. Equally, the impact on poverty is dependent on the long term

sustainability of the service. Skills and capacity for operation and maintenance must be developed locally.

Assistance for basic infrastructure provision is most effective when it is part of a broader plan for improving the effectiveness and coherence of government. Large, centralized public sector departments are, however, neither effective nor efficient in poverty focused, sustainable delivery.

Planning and implementation of decentralized departments is key to effective demand led poverty elimination strategies. However, for local government to support and respond to community efforts and priorities, it needs appropriate financial, institutional and planning capacity and procedures.

NGO's play an increasing role in the provision of infrastructure services for the poor. They can be good at reaching the poorest groups, delivering assistance cheaply and flexibly and filling the gaps in service provision left by government.

With increasing numbers, however, NGO's do not always perform effectively. The project focus which they usually adopt is unlikely to have a significant impact on the absolute numbers of people living in poverty, and closer working relationships between NGO's and government are usually desirable.

Involvement of the private sector enables the government to focus on key tasks in regulation, co-ordination and planning. It can increase flexibility to respond to changes in the nature of scale of demand.

Projects targeting poor communities don't automatically benefit the poorest people, especially where the service provision relies on community contributions of cash, labor and time which poor people can least afford. Targeting the poorest is not usually a "demand-led" process.

Basic infrastructure often meets women's practical gender needs, and involving women in on-going operation and maintenance activities can significantly improve service sustainability. However, the involvement of women risks being prescriptive, and claims of "women's empowerment" can be over-stated. There is a common risk that self help management and operation activities increase women's already substantial workload, whilst doing little to improve their status.

Community management and maintenance is often designed on a self help volunteer basis with mixed results. However, the success of interventions is usually linked to the ability of the service to increase incomes through facilitating income earnings opportunities.

Choice of an appropriate technology is essential; but programmes must not be "technology led". Successful introduction of technology depends on many factors in addition to its functional sustainability.

More thorough feedback is needed to improve our understanding of the impact of basic infrastructure provision on poverty reduction. This requires improved monitoring and evaluation systems at both project and district/city levels. Poverty indicators should be developed in collaboration with the communities, building on their information needs and ensuring that indicators are meaningful, realistic and motivating.