

10 October 2018

Dear Dr. Von Amsberg:

Thank you for giving external stakeholders, including Bank Information Center (BIC), the opportunity to provide input on the draft AIIB Sustainable Cities Strategy. While we think that it is especially positive that the AIIB's long-term vision to support GREAT cities is grounded in the SDGs and the New Urban Agenda, we are concerned that the current draft of the strategy lacks the commitments and detail necessary to deliver results that will ultimately improve the lives of the marginalized and impoverished in urban areas in Asia. In our experience, IFI-funded urban projects have been unsuccessful in delivering such results due to a failure to:

- Incorporate an explicit and measurable objective of improving access to adequate housing for the poor and marginalized into urban strategies and individual projects;
- Ensure that *in situ* resettlement is the default option for project-affected people, particularly in the context of “integrated development” projects;
- Design and implement resettlement components based on thorough assessments of potential project risks and impacts on vulnerable and disadvantaged groups.

BIC's experience with the World Bank-funded Mumbai Urban Transport Project is one example of the importance of these recommendations, and is particularly relevant as AIIB considers providing financing for continued development of the Mumbai metro system. The Mumbai Urban Transport Project was implemented from 2002 – 2011, and supported earlier phases of the development of the Mumbai urban transport system.

The project was designed to “improve the quality of life” for the people of Mumbai by “fostering the development of an efficient and sustainable urban transport system.” Over 100,000 people were displaced by the project. In 2014, BIC produced a case study on the project, which found that “the project has had disastrous effects for many of the people—and specifically the children—in surrounding communities. Rather than improving their quality of life, many were further impoverished when they were forced to leave their homes to make way for the construction of the project.”

Rather than prioritizing in-situ resettlement, many project-affected households were resettled in Mumbai's distant eastern suburbs, “following a disturbing trend of shifting slums from high value land to low value land in the east.” BIC is concerned that the AIIB's sustainable cities strategy endorses this approach to “promoting integrated development” through “more efficient land use,” through projects including “neighborhood (slum) upgrading” and “urban redevelopment/regeneration.”¹ However, as BIC found in Mumbai, resettlement of lower-income communities in distant resettlement sites often results in only slight improvements in slum life, which “cannot possibly be expected to provide [Project-Affected Persons]—particularly children—with a clear path out of poverty; neither can these improvements compensate for the other adverse impacts of [these] project[s] on children, such as reduced access to education and increased rates of violence.”

¹ Sustainable Cities Strategy (Draft), paragraph 14(c.), page 4.

In addition, housing in Mumbai resettlement sites did not meet international minimum criteria for “adequate” housing,² resulting in lasting adverse impacts on already-impooverished and marginalized communities. These criteria are:

- *Security of tenure*: Resettled households should have “a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.”
- *Availability of services, materials, facilities, and infrastructure*: Housing should have “safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.” BIC’s research in Mumbai documented the lack of access to clean water and sanitation services in resettlement sites, which had a negative impact on the health of many residents, particularly children.
- *Affordable*: The cost of housing should not “threaten or compromise the occupants’ enjoyment of other human rights.”
- *Adequate space and physical safety*: Housing should “guarantee physical safety [and] provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.” In Mumbai resettlement sites, women “often face[d] sexual harassment, molestation, and even rape on unlit or poorly lit roads. Some women also reported cases of teasing, gang fights, rampant robbery and alcohol induced brawls.” This lack of safety had additional consequences for children. Rather than leave children alone at home, women “opted instead to put their daughters to work.” And “those young girls, forced to withdraw from school, often [could] only access low paying jobs where they face similar security risks to their mothers.”
- *Accessible*: The specific needs of disadvantaged and marginalized groups should be taken into account in the design of housing in resettlement sites, including the use of universal design to ensure accessibility for people with disabilities.
- *Location*: Housing should not be “cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or located in polluted or dangerous areas.” In Mumbai, BIC research found that no schools existed in the resettlement sites at the time of resettlement. As a result, many children traveled long distances to their former schools, leading to “corresponding increases in transportation costs (about 10% of a family’s monthly income for just one child), missed time in school and some children dropping out of school.” Girls and children with disabilities experienced additional adverse impacts: “Some girls have been forced to marry at a young age, so that their families had one less mouth to feed. Similarly, there were reported cases of children with disabilities that had to stop going to school as the R&R sites had no schooling facilities for children with special needs in the near vicinity. For children with physical disabilities, even if a school is only 1 km away, the distance can be too far to walk and many of them cannot afford to travel any other way.” Further, due to an absence of health care facilities, residents had difficulties accessing preventative care services—including prenatal care for pregnant women—and care for chronic illnesses, including for the significant number of children who were malnourished.
- *Culturally adequate*: Housing should “respect and take into account the expression of cultural identity.”

² These criteria and their definitions are taken from the U.N. Office of the High Commissioner on Human Rights and UN Habitat’s fact sheet No.21 on the right to adequate housing, available at https://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf

Lastly, resettlement plans for the Mumbai project did not identify and address the differentiated adverse impacts that resettlement poses to vulnerable and disadvantaged groups. Women in Mumbai experienced physical violence and insecurity as a result of the design of resettlement sites. The lack of educational and health facilities in resettlement sites in Mumbai also had a particular impact on children, increasing the likelihood that children will “grow into poor and deprived adults that pass poverty onto their own children.” People with disabilities also face different risks and impacts as a result of resettlement, such as additional expenses during the resettlement process and difficulty in identifying employment opportunities close to resettlement sites as well as accessible transportation options to commute to their jobs.

We recommend that the final sustainable cities strategy take this prior experience into account by committing to: incorporate an explicit and measurable objective of providing access to adequate housing for the poor and marginalized; ensure that *in situ* resettlement is the default option for project-affected people, particularly in the context of “integrated development” projects; and develop and publicly release the tools and guidance necessary for thorough assessments of the potential risks and impacts of urban projects on disadvantaged and vulnerable groups, including tools that specifically address the risks associated with resettlement.

Thank you for your consideration of our comments.

Regards,

Elizabeth Summers
Infrastructure Policy Manager
Bank Information Center