

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	East West Highway (Khevi–Ubisa Section) Improvement Project
Lending/Financing Modality:	Project Loan	Department/ Division:	CWRD/CWTC

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Largely owing to its location on the Black Sea and on the historical Silk Road, Georgia has historically been a corridor for the movement of peoples and trade from Russia in the north to Azerbaijan and Turkey onwards to Iran in the south, and from Europe in the west to Asia in the east. The Government is committed to a strategy of building on this legacy, by developing the country as a regional transport and transit hub for trade between Central Asia and beyond to the east, and Turkey and Europe to the west, through major improvement and expansion of its transportation infrastructure. The project impact is aligned with the government's Socio-economic Development Strategy of Georgia (Georgia 2020) which, approved in June 2014, aims to make Georgia a regional and logistics hub and business platform. The project outputs will be (i) 15 km of dual carriageway highway constructed partly on a new alignment; and (ii) a functioning and effective road network operations and maintenance system, incorporating an effective road safety program.

Georgia 2020 aims to foster inclusive economic growth and reduce poverty by enhancing private sector competitiveness, developing human capital, and improving access to finance. Infrastructure development for transportation, leading to better regional connectivity is a critical catalyst for generating economic activity, employment, accelerated growth and sustainable macroeconomic development country wide. These goals are in line with ADB's Midterm Review of Strategy 2020 and the ADB Country Partnership Strategy (CPS) for Georgia, 2014–2018, which places emphasis on inclusive growth, infrastructure development and human capital development. The project is designed to reduce traffic bottlenecks on the East West Highway, improving this key transport corridor's safety and operations efficiency to the benefit of international and national trade.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The Project is part of a wider effort on rehabilitating and upgrading bottleneck sections of the East West Highway to enhance regional connectivity and trade. It is related to infrastructure development and will have no direct link with poverty reduction, and therefore is classified as General Intervention (GI). Indirectly, the Project road will contribute to reducing poverty in the project corridor with increased employment opportunities during project implementation and improved access to socio-economic opportunities in and beyond the project corridor. In addition to these generic economic benefits, the project is expected to reduce the safety risks and social disturbance caused by heavy transit transport flows.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Georgia's strong economic performance has had a limited positive impact on poverty reduction because growth was largely driven by increases in labor productivity and attendant income growth was concentrated among the top 10% of income earners. The percentage of the population living below the relative poverty line decreased from 24.6% in 2004 to 21.4% in 2013. The poverty headcount ratio based on the absolute poverty line declined from 18.0% in 2006 to 14.8% in 2012, and the percentage of the population living in extreme poverty fell from 5.4% to 3.7% over the same period. So-called registered poverty, which is the percentage of the population officially registered as poor, rose from 6.4% in 2007 to 9.7% in 2013. The poverty headcount ratio at \$2.0 a day at purchasing power parity declined from 36.7% in 2003 to 35.6% in 2010, but the percentage of the population living on less than \$1.25 a day at purchasing power parity increased from 17.7% to 18.0% during the same period.

Poverty in Georgia has four major causes: lack of economic opportunity; isolation; insufficient skills, capabilities, and assets; and income shocks due to adverse health events or disasters. The potential beneficiaries of the project are the traders, transport operators, freight forwarders as well as those involved in trading agricultural products and the local population that will access country wide better connectivity, leading to enhanced socio-economic networking and improved access to better income earning opportunities.

2. Impact channels and expected systemic changes

The Project is part of a wider effort on rehabilitating and upgrading bottleneck sections of the East West Highway to enhance regional connectivity and trade. The design features traffic capacity enhancement and road safety improvement. Besides benefits (e.g., lowered transportation costs, reduced travel time and increased ride quality) accrued to regional trade and transit traffic, improvements to the project road together with another ADB financed secondary road project will also improve access to markets and social services for local communities and stimulate economic activities that in return create more job opportunities (apart from those generated as a result of road

construction activities), and therefore improve the region's living standards.

3. Focus of (and resources allocated in) the PPTA or due diligence:

\$1,000,000 is proposed to be allocated from TASF-V. Resettlement/social development specialist will be recruited and will undertake group consultations with local communities, local stakeholder organizations, and district governments. Greater understanding of the impacts of the road reconstruction will be gained, such as impact on jobs, road safety, access to markets and education, provision of regional public transport.

4. Specific analysis for policy-based lending n/a

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Gender analysis for the CPS identified the following issues in the transport sector. Women and men use transport differently and have different needs for mobility. In Georgia, women usually drive only in the capital and are likely to travel by public transportation. Where national and regional highways are prioritized over secondary roads, transport providers often stick to main routes due to incremental costs of time and vehicle maintenance. Lack of regularly scheduled public transport to villages and secondary towns makes it difficult for women to access employment opportunities. In the urban context, lack of lighting, bus stops, commuter information, pedestrian crossings and road signs all decrease the ease of travel for women, particularly those traveling with children. Enhanced roads and transportation systems will save women time and facilitate their access to jobs, services and to markets to sell their goods. Access roads and affordable public transport will thus bring important gender benefits. Opportunities for integrating gender concerns into ADB's future investments in this sector include:

- (i) Conduct social and gender analysis of road and transport projects to assess how women and men can fully benefit from improved road networks and consider them in planning road/transport projects.
- (ii) Improve secondary, feeder and access roads for maximum impact on women's livelihoods and access to services.
- (iii) Consider incentives for women's employment and career development in the sector given that women are over-represented amongst the unemployed.
- (iv) Address economic opportunities for women along relevant transport corridors by providing places for them to sell produce and other goods, and facilitating training on business development and financial literacy, to benefit from improved trading opportunities.
- (v) Plan and coordinate roadside infrastructure development such as sidewalks, street lighting, sanitary facilities and facilities specifically for female travelers.
- (vi) Consider use of visual information on public transport to discourage sexual harassment of female travelers and promote transport safety.

These entry points will be considered during preparation of the project by the Social Development and Gender Specialists. Given the infrastructure focus (capacity enhancement of one bottleneck section of an international road), it seems unlikely that enough gender elements of a significant enough level will be able to be included for the project to be considered SGE or EGM.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No The project is in a mountainous, remote area and involves construction of 15 km of highway and tunnels.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No The only negative impacts are connected with resettlement, see IV below.

4. Indicate the intended gender mainstreaming category:

- GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders of the project include public institutions (Ministry of Regional Development and Infrastructure and its Road Department, Ministry of Finance) and project beneficiaries including business community and traders, freight forwarders, transport operators and the local community. The Project design will be prepared in consultation with all stakeholders.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Project preparation and implementation will include focus group discussions, workshops, community mobilization, in-depth interviews and consultations conducted for discussion on the environment and social safeguard issues, land acquisition and resettlement planning and implementation, and will address needs of the community and other social-

related issues such as gender, HIV/AIDs, human trafficking, child labor etc.
<p>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</p> <p>Active CSOs/NGOs will be identified and, as relevant, engaged in consultative process during preparation and implementation of LARP and during project implementation by the Executing Agency.</p> <p><input checked="" type="checkbox"/> Information generation and sharing (M) <input checked="" type="checkbox"/> Consultation (L) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The participation of the poor is important during implementation of land acquisition and resettlement plan to provide entitlements for assistance and livelihood restoration under LARP provisions. The EA will conduct meaningful consultation with affected persons during LARP implementation.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The reconstruction envisages road expansion from the existing single carriage way to dual carriage way. However, the additional single carriage way will be separately constructed and in parallel to the existing road. The new construction crosses a mainly mountainous area with many tunnels and bridges. Population in the immediate vicinity of the new road is low; however, some impacts to agricultural and commercial land, permanent and/or temporary may occur. A draft land acquisition and resettlement plan (LARP) will be prepared by the PPTA consultants. The LARP will be updated to implementation-ready status after further verification of impacts following completion of detailed design.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> (L) Creating decent jobs and employment <input checked="" type="checkbox"/> (L) Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> (L) Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> (L) Increase in human trafficking <input type="checkbox"/> Affordability</p> <p><input checked="" type="checkbox"/> (L) Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify: n/a.</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>The implementing agency will assess the social issues and risks of the project during project preparation and accordingly the requirement to comply with core labor standards, preference for local labor and provisions for awareness campaigns on communicable diseases including HIV/AIDS and human trafficking will be included in the bidding documents and contracts.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence?</p> <p>Detailed design consultant for the project road is being recruited separately with financing from an ongoing ADB project (Loan 2843-GEO). The consulting team includes an international social development specialist of 12 person-months and a national social specialist (resettlement) of 12 person-months.</p>