

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Georgia"/>	Project Title:	<input type="text" value="Batumi Bypass Road Project"/>
Lending/Financing Modality:	<input type="text" value="Project Loan"/>	Department/Division:	<input type="text" value="CWRD/CWTC"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Caucasus sub-region is a land bridge between the Black Sea and the Caspian Sea. It provides the shortest transit link to connect Central Asia to Europe, the Russian Federation, and Turkey. To take advantage of its strategic location, the government set the goal of its transport strategy as making Georgia a regional and logistics hub and business platform. The project impact is aligned with improving regional connectivity in Georgia towards becoming a regional transport and logistics hub. The outcome will be improved efficiency for road transport along the East–West Highway (EWH) in Georgia. The outputs will be (i) 16.7 km of a new two-lane bypass road skirting Batumi; and (ii) routine and periodic maintenance of about 200 km of international roads combined with connecting secondary roads carried out using performance based management (PBM) contracts.

The government's poverty reduction strategy is imbedded in its Socio-economic Development Strategy of Georgia (Georgia 2020), approved in June 2014. 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 the ADB's long-term development framework, the Midterm Review of Strategy 2020,¹ and the Country Partnership Strategy (CPS): Georgia, for 2014–2018, which places emphasis on inclusive growth, infrastructure development and human capital development. The project is designed to remedy traffic congestion in Batumi caused by transit traffic traversing heavily built up tourist and residential areas inside the city and mixing with dense urban traffic. This not only causes congestion problems for transit traffic but also poses serious social, environmental, and safety problems to the local population and tourists in resort areas.

B. Poverty Targeting

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

The Batumi Bypass Road Project is part of a wider program of rehabilitating and upgrading sections of National Highways in the Adjara autonomous republic of Georgia to enhance regional connectivity and trade. The project is related to infrastructure development; it will have no direct link with poverty reduction and is classified as General Intervention (GI). Indirectly, the Project 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 related to the traffic congestion caused by 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 designed to improve road infrastructure in the Adjara coastal zone and tourist area, to enhance

¹ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

regional connectivity and trade, and to support tourism development. It will produce several other benefits including lowered transportation costs, reduced travel time and reduced shipment time for agricultural products.

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

The project management consultants will include Social Development and Gender Specialists (International and National), who will review poverty and social elements of the project and ensure they are addressed.

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 (a bypass road and maintenance of international roads), 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 Please explain.

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

Yes No Please explain. 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 Roads Department, Ministry of Finance) and project beneficiaries including business community and traders, freight forwarders, transport operators and the local community. The Project design has been 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, if required, engaged in consultative process during project preparation and implementation of LARP and during project implementation by Project Management Consultants and by 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 to ensure continued participation poor and excluded during LARP implementation.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input 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 project requires land acquisition of total 249889 sq. m of land from 574 plots, including 236 private plots (all registered), and 338 public plots which are legitimately used by private users. The project will affect total 245 HHs with 1,244 people. Among those affected HHs, 69 will need to be physically relocated, 193 are severely affected and 92 HHs are vulnerable. An implementation ready LARP has been prepared and approved by ADB.</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 <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>Implementation ready LARP is approved by ADB; Update of Detailed Design – consultant is hired; Update of EIA – Consultant is hired.</p>