



Initial Poverty and Social Analysis

August 2019

Georgia: Batumi–Sarpi Bypass Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 9 August 2019)

Currency unit	–	lari (GEL)
GEL1.00	=	\$0.3407
\$1.00	=	GEL2.9350

NOTE

In this report, "\$" refers to United States dollars.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	Batumi–Sarpi Bypass Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department/ Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Georgia has historically been a corridor between Russia and other neighboring countries, specifically Armenia, Azerbaijan and Turkey, stretching onwards to Iran in the South, Europe in the West, and Asia in the East. Georgia's *Socio-Economic Development Strategy ("Georgia 2020")* emphasizes the importance of integrating Georgia into the regional and international transport systems. The development of transport infrastructure, which is envisioned to lead to better regional connectivity, is a key priority of the Government of Georgia under the National Strategy 2020. It is viewed as a critical catalyst for generating economic activity, employment, accelerated growth and sustainable macroeconomic development country-wide.^a

These goals are in line with Asian Development Bank (ADB) Strategy 2030 (fostering regional cooperation and integration) and the ADB Country Partnership Strategy for Georgia, 2019–2023, which places emphasis on developing economic corridors to create jobs, combat poverty and facilitate inter-regional trade. The proposed project outputs will be (i) Batumi–Sarpi bypass road constructed, and (ii) Highway rest area/logistics facility ready for private sector investment and operation.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income SDGs (TI-M1, M2, etc.). The project is part of the Government's thrust of upgrading major transport corridors of Georgia to enhance regional connectivity, trade, and tourism. It is related to infrastructure development and will have indirect link to poverty reduction, so is classified as General Intervention (GI). The project road will contribute to reducing poverty along the project corridor by providing increased employment opportunities during implementation and improved access to socioeconomic opportunities even beyond the project corridor. In addition, the project is expected to reduce the risks and disturbance caused by heavy transport flows and improve road safety.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The share of population below the \$1.9 per day threshold reduced to 4.2% by 2016.^b However, it is substantially higher than an average of regional comparators where data are available. The percentage of the population living below the national poverty line also declined from 34.3% in 2004 to 21.9% in 2017.¹⁹ The growth rate of household income per capita among the bottom 40% of the population was 6.4% in 2011-2016, higher than 4.3% for the population at large, as SDG 10 on inequality calls for. Economic growth has been very unevenly spread, mainly occurring in urban areas—particularly in Tbilisi. Nearly half of the population of Georgia lives in rural areas.^c Women account for around 75% of employees in the healthcare and social sectors and 60% of those working in the hospitality sector. Less than 10% of women work in construction while 23% are employed in transport and communications.^d

The proposed project will indirectly contribute to poverty reduction through the upgrade of roads/transport services, including the construction, operation, and maintenance of transport infrastructure which will create a demand for labor and provide better access to services and income-earning opportunities for the poor.

The potential beneficiaries of the project are the traders, transport operators, tourists/visitors well as those involved in trading through Sarpi border regionally and the local population that will a reorganized town square area with less traffic hazards from mixed regional and local traffic and resulting congestion.

2. Impact channels and expected systemic changes. The project is part of the East–West, E70 and Central Asia Regional Economic Cooperation corridor 2 road corridors and is expected to enhance regional connectivity and trade. The design incorporates traffic capacity enhancement and road safety improvement. In addition to the immediate project benefits, i.e. reduced travel time, increased regional trade and improved transit traffic, improvements to the project road will also enhance access to markets and social services for local communities and stimulate economic activities, that in return, will create more job opportunities and, improve the region's living standards.

3. Focus of (and resources allocated in) the transaction technical assistance (TRTA) or due diligence:

Resettlement and social development is being done under a prior design and feasibility contract and will be ready in February 2020. A gender specialist will be recruited to find possible entry points for some gender elements. Greater understanding of the impacts of the bypass road will be gained, such as the project's impact on jobs and occupations, road safety, access to economic opportunities and provision of regional public transport.

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?

Women and men use transport differently and have different needs for mobility. Lack of access roads to main roads, absence of regularly scheduled public transport in villages and secondary towns makes it difficult for women to access employment opportunities. A lack of street lighting, bus stops, commuter information, pedestrian crossings, and road safety signs threaten women's safety on the roads, who are more likely to accompany children and more likely to be pedestrians than men. Studies show that women are most likely to be passengers and users of public transport systems to access schools, health centers or markets. Despite the huge impact of transport to women's everyday lives, women have very minimal participation in the operations of the transport sector. As of May 2018, there are 222 employees in the Roads Department, and only 85 or 38% of whom are women. Of the total employees, 110 are in technical positions, of which only 21 (or 19%) are women. In 2015 women earned 81% of men's monthly salary in the transport and communications sector (footnote d).

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 will ensure inclusion of gender-sensitive safety features, as well as explore possibilities for some gender elements. Traffic reorganization at the border crossing at Sarpi will improve local road safety, as will diversion of regional and transit traffic from local roads onto a 12 km bypass. Output 2 will prepare a private sector project for a highway rest area and/or logistics facility, but will not finance design or construction, limiting the project's ability to specify gender designs. The bypass itself will take traffic through tunnels and viaducts, away from populated areas, with no scope for gender designs. Ongoing (2016, 17 and 18) transport projects in Georgia have incorporated gender elements for the Roads Department human resources (encouraging more women) and improving access to economic opportunities through adjacent tourism areas.

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

Yes No

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, Adjara Autonomous Region government), and project beneficiaries include the local population, business community and traders and transport operators. 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? Community consultations will be done during project design and implementation in accordance with ADB's policies. Specifically, project preparation and implementation will include focus group discussions, workshops, community mobilization, in-depth interviews, and consultations on issues such as environment and social safeguards, land acquisition and resettlement, gender concerns, and planning and implementation.

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?

Active civil society organizations and/or nongovernment organizations will be identified and engaged in consultative processes during preparation and implementation of land acquisition and resettlement plan (LARP), as relevant, and during project implementation by the Roads Department.

(H) Information generation and sharing (M) Consultation (L) Collaboration (L) Partnership

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? Yes No

Participation of women and poor is important during the implementation of LARP to provide entitlements for assistance and livelihood restoration under LARP provisions. However, there is no specific poverty reduction intervention under the project.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The project will construct about 12 km of new two-lane highway, including a 5 km tunnel, constructed to 80 km/hour design speed standard. Depending on the final alignment selected, there could be between 280 and 600

affected households. Similarly, between 29 and 45 hectares of land may be acquired. A draft LARP is being prepared.

2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?

- Resettlement Plan Resettlement Framework Social impact matrix
 Environmental and social system arrangement None

B. Indigenous People Category A B C

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

- Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix Environmental and social management system arrangement None

V. OTHER ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

- (M) Creating decent jobs and employment (M) Adhering to core labor standards (L) Labor retrenchment
 (M) Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking (NA) Affordability
 (L) Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability Creating internal social conflicts Others, please specify: n/a.

2. How are these additional social issues and risks going to be addressed in the project design?

The Roads Department 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 and contract documentation.

VI. TRTA and DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA 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?
 Yes No

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 TRTA or due diligence? Additional resources to finalize safeguards documentation beyond the duration of the feasibility and design consultancy have been added, as well as resources for land registration and land acquisition valuation check and/or implementation support during the loan project, in response to lessons learned from ongoing projects.

^a Government of Georgia. 2014. *Socio-economic Development Strategy of Georgia (Georgia 2020)*. Tbilisi.

^b United Nations Children's Fund. 2018. *The Welfare Monitoring Survey 2017*. Tbilisi.

^c In 2018, 43% of the population lived in rural areas. ADB. 2016. *Key Indicators for Asia and the Pacific*. <https://www.adb.org/sites/default/files/publication/357006/geo.pdf> (accessed February 2018).

^d National Statistics Office of Georgia. 2017. *Men and Women in Georgia: Statistical Publication*. http://www.geostat.ge/cms/site_images/files/english/health/W&M%20in%20ENG_2017.pdf.