

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	Preparing Water Supply and Sanitation Service Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	Central and West Asia Department/ Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed transaction technical assistance (TA) is in line with the government's *Socio-Economic Development Strategy of Georgia (Georgia 2020)*.^a It is also in line with the *Freedom, Rapid Development and Prosperity-Government Program 2016–2020*,^b the four-point reform action plan of the government of Georgia, aimed at (i) accelerating infrastructure projects through increased funding and proper spatial planning; (ii) strengthening the private sector by creating a safe and stable business environment; (iii) developing human capital resulting in significant improvement in skills-mix; and (iv) implementing public governance reform with a focus on improving service quality through provision of support to the private sector and application of innovative technologies in business services. The spatial planning scheme, in particular, centered on new infrastructure projects will support sustainable development of the public infrastructure through improving transportation networks and water supply systems for enhanced connectivity and accessibility, which will make Georgia a year-round tourist destination. The government intends to attract private sector participation and foreign investment by (i) developing infrastructure; (ii) improving the business environment; and, (iii) supporting innovation and technology.

The project is also aligned with the Asian Development Bank (ADB) *Country Partnership Strategy 2014–2018 (CPS)* for Georgia.^c The project is listed in the *Country Operations Business Plan 2019–2021*,^d and consistent with the *Water Operational Plan 2011–2020*,^e and the *Climate Change Operational Framework 2017–2030*.^f The CPS primarily focuses on inclusive economic growth and support for those with potentially high economic and social impacts from improved basic urban infrastructure, including WSS services and networks. By linking to these strategic documents, the TA will facilitate improved access to quality urban WSS by the residents of Georgia.

B. Poverty Targeting:

☒ General intervention ☐ Individual or household (TI-H) ☐ Geographic (TI-G) ☐ Non-income MDGs (TI-M1, M2, etc.) The project will not directly address poverty in the country. It will indirectly contribute to the increased public health, quality of life, environment and living standards of the households and beneficiaries in the project area by improving WSS operation and maintenance.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Out of 3.7 million population, 0.8 million people (22.3%) are estimated to be poor and 0.3 million (8.5%) of these are classified as extremely poor. Nearly half of the population of Georgia lives in rural areas.^g Women account for a significant proportion of the poorest. Nearly 27% of the population live in households headed by a woman, and female household heads are overrepresented among the poor and the bottom 40% of the income distribution.^h In 2016, 49% of the 1,763,000 economically active population worked in agriculture, forestry or fishing (footnote g). 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. About 82% of urban residents have access to piped water service, although the MDG-7 drinking water target is 95%. Estimated 64% of customers served by United Water Supply Company of Georgia (UWSCG) experience intermittent service. Only 25% of UWSCG service centers provide 24-hour coverage. Half of urban resident lack piped sewer connections and rely on other onsite sanitation systems, including pit latrines and septic tanks. Inadequate wastewater treatment is threatening public health and environment. UWSCG directly supplies 57% of tap water in secondary cities and towns, 35% of households obtain water through a tap from another source or water tanker and the rest have no supply at home. Among those with access to piped water, about 50% have supply for only 3–4 days per week and mostly for only 2–4 hours per day.

2. Impact channels and expected systemic changes. The TA will identify issues to be addressed in the water sector and focus on some of the key areas for improvement. The project will support development of the long-term approach to the WSS by government aimed at improving living and health conditions of the population. Better access to WSS provides women more time for income-generating activities. Households are generally willing to pay more with better WSS services with low current fixed residential tariff standing at GEL0.48/m³ for metered household customers and GEL 2.16 per capita per month for unmetered household customers. The project will strengthen gender and women's participation in hygiene/sanitation awareness to lower intestinal infections incidence and medical bills. The financial benefits of the enhanced operational efficiency of UWSCG, including energy savings,

will ultimately accrue to households.

3. **Focus of (and resources allocated in) the TA or due diligence.** TA will focus on increasing communication, participation, and capacity development of beneficiaries and key stakeholders in the project area, and their key constraints and challenges.

4. Specific analysis for policy-based lending. Not applicable.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Of the urban population, 18% presently has no access to piped water supply and 50% has no access to a reticulated sewerage system. Almost half of households with access to piped water supply only receive water. The problem gets more acute outside of the urban centers of Georgia. Women are most likely to be most affected from the unavailability or poor quality of the WSS system since they are managing and distributing water in the households. Women also need to be informed on effective water use, hygiene, sanitation and customer rights. Women's employment in the water sector is low. Although, UWSCG is managed by a woman, out of the 2,734 employees only 23% are women (2018); women's employment on the managerial positions is low and there are almost no women on technical positions. Therefore, constant participation of women in operation, maintenance, trainings, monitoring and evaluation is important in institutional strengthening and women's advancement in the sector.

2. Does the proposed project or program have the potential to contribute 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

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. Project beneficiaries include government, nongovernment organizations (NGOs), community-based organization and women and other relevant committees. Details will be elaborated during project preparation.

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? Improved consultation and feedback mechanism will be considered and incorporated during project preparation.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design? Active CSOs/NGOs will be identified and, as relevant, engaged in consultative process.

☒ (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 should they be addressed? ☐ Yes ☒ No

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

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

☐ Resettlement plan ☐ Resettlement framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☒ None

B. Indigenous Peoples Category ☐ A ☐ B ☒ C ☐ FI

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

<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 transaction TA 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 <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? None</p> <p><input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> 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 _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Not applicable.</p>
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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 transaction TA or due diligence? A gender and social development specialist will be engaged during project preparation.</p>

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

^b Government of Georgia. 2016. *Freedom, Rapid Development, Prosperity-Government Program 2016-2020*. Tbilisi.

^c ADB. 2014. *Country Partnership Strategy: Georgia, 2014–2018*. Manila.

^d ADB. 2018. *Country Operations Business Plan: Georgia, 2019–2021*. Manila.

^e ADB. 2011. *Water Operational Plan 2011–2020*. Manila.

^f ADB. 2017. *Climate Change Operational Framework 2017–2030. Enhanced Actions for Low Greenhouse Gas Emissions and Climate-Resilient Development*. Manila.

^g In 2016, 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>.

^h World Bank. 2016. *Georgia Country Gender Assessment, Poverty and Equity Global Practice*. <http://documents.worldbank.org/curated/en/733891487232457573/pdf/112838-WP-P157626-Georgia-CGA-2016-final-PUBLIC.pdf>

Source: Asian Development Bank.