



Initial Poverty and Social Analysis

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Georgia: Livable Cities Investment Project for Balanced Regional Development

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	Livable Cities Investment Project (LCIP)
Lending/Financing Modality:	Sector Loan	Department/Division:	CWRD/CWUW

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

LCIP is contributing to the Government of Georgia's (GoG) 'Socio-economic Development Strategy of Georgia' (Georgia 2020), and is aligned with the Asian Development Bank's (ADB) country partnership strategy for Georgia, 2019-23 (ADB CPS 2019-23) that focuses on balanced economic development, making urban areas more livable, reducing poverty and inequality, and strengthening governance and institutional capacity. LCIP will invest in enabling infrastructure in the regions (Kakheti and Samagrello – Zemo Svaneti) to enhance decentralized economic centers (Telavi, Zugdidi and Mestia) and to link these with the country's key economic corridors.

B. Poverty Targeting

☒ General intervention ☐ Individual or household (TI-H) ☐ Geographic (TI-G) ☐ Non-income MDGs (TI-M1, M2, etc.)

LCIP will support poverty reduction and inclusive growth indirectly. Most of the proposed initiatives deal with inclusive and climate-resilient urban infrastructure investments that will improve the enabling environment for economic growth in the urban centers. The proposed business development facility will complement public area improvements and rehabilitation works by offering small and medium-sized business access to finance for establishing tourism related businesses and enhance the attractiveness of regional tourism. An Urban Management Partnership (UMP) will focus on building local peoples' hospitality skills through vocational education and training. Public transportation and public building rehabilitation subprojects will include universal design interventions that will improve accessibility for the people with disabilities, women with young children and the elderly using the Inclusive Cities Guidelines developed under the TA-9220 Livable Urban Areas. Public Space Management for safer open spaces and pedestrian pathways will provide people with walkable urban environment and boost the local businesses along the roads.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The expected beneficiaries of the project are all visitors to the regions, all residents 312,500 of which 71,000 are urban, in Kakheti and 316,200 of which 125,00 are urban in Samegrelo- Zemo Svaneti regions (2019, Geostat), in particular urban residents in Telavi, Signaghi, Lagodekhi, Tsnori and Velistsikhe (in Kakheti), Zugdidi, Martvili, Senaki, Poti and Mestia/Ushguli (Samagrello- Zemo Svaneti) and the residents in cities of Kutaisi (Imereti), Akhaltsikhe (Samtskhe-Javakheti), Lanchkhuti (Guria), Gori (Shida Kartli), and Rustavi and Tetrtskharo (Kvemo Kartli). Total population (2019 Geostat) figures are as follows: Telavi municipality – 56,000, Telavi city– 19,600, Velistsikhe – 4,508, Zugdidi municipality – 101,800, Zugdidi city – 42,000, and Mestia municipality – 9,500. While the overall unemployment rate is maintained at 11.6% (2019), access to services and resources are scarce outside main urban centers and the poor infrastructure increases workload on locals, especially on women. During stakeholder consultations under TA 9220, residents expressed a need to improve the livability of their cities, job creation and increased income opportunities (from tourism related initiatives). The number of people living below the national poverty line (2018) is about 20% nationwide. In Telavi this is 17%, in Zugdidi 16% and in Mestia 49%.

3. Focus of (and resources allocated in) the transaction TA or due diligence. The TRTA facility will undertake due diligence of the project and prepare the project documents. Some of the larger subprojects are under preparation by the Municipal Development Fund (MDF), including the social safeguards. The design ready projects such as kindergartens and sports complexes will be reviewed and screened for involuntary resettlement impacts. Once completed, the TRTA consultants will review and, where necessary, revise to ensure compliance with ADB safeguards, core labor standards and ADB's Gender and Development Policy. Some LCIP subprojects (Mestia, Velistsikhe) may require (temporary) resettlement for which a Resettlement Plan will be prepared.

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?

Women head 35% of the households and bring important economic contribution to their families. At the same time, women have a disproportionate share of unpaid care work, in particular in the areas outside the major urban centers of the country, what limits their participation in the labor market and affects the quality of their employment. More targeted and gender inclusive approaches are necessary to give women opportunities to better access jobs and resources, in particular in the micro, small and medium-sized enterprise (MSME) sector which is largely emerging in the project target areas. Barriers encountered by women in MSMEs in the local context include lack of relevant skills and knowledge and access to start-up capital and finances. During consultations it was noted that women would like

to have more access to community for market space and also access to vocational and skills training to produce souvenirs, bakery and homemade items, and set up their independent small businesses. Women's access to economic activity, education and employment are largely limited due to the poor quality of childcare services outside the capital of the country; therefore, improving the quality of kindergartens can directly promote women's opportunities and empowerment. Local gender council operate on municipality level, however, their capacity is rather low in adopting participatory and gender-inclusive approaches in identifying and considering needs of women and girls in planning in general and, more specifically, in urban planning and development. In this regard, possibilities under the project include investing in developing gender-inclusive guidelines for urban planning, namely, for urban public spaces and residential areas – similar guidelines have been already developed for the capital Tbilisi and could be replicated in the project covered towns. Application of the capacity-building for gender-sensitive urban planning can accelerate the achievements of gender-related targets in the project covered areas. Since women have less opportunities to participate in decision-making, it is also important to encourage women's involvement in planning and implementation and promote their leadership on local level. Project-specific gender actions and targets will be identified during TRTA and gender action plan will be prepared to ensure gender dimensions are integrated in a systematic way throughout planning, implementation, and monitoring.

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

LCIP has good potential to contribute to gender equality and empowerment, especially through its focus on bringing about tourism growth. Ensuring equitable participation in vocational training and access to the Business Development Fund will be embedded in the design of these interventions. The TRTA will prepare a Gender Action Plan.

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

☐ Yes ☒ No

The project does not expect to have an adverse impact on women and girls. Overall, it will ensure participatory approaches and equal opportunities during the project planning and implementation. Any risks for women's interests will be carefully assessed at the project design stage and addressed during preparation of the gender action plan.

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?

The main stakeholders are: the EA, Ministry of Regional Development and Infrastructure (MRDI); the IA: Municipal Development Fund (MDF) under MRDI; the regional governments of Kakheti, Samegrelo Zemo Svaneti, Guria, Samtskhe-Javakheti, Shida Kartli, Kvemo Kartli, Imereti; the municipalities of Telavi, Gurjaani, Zugdidi and Mestia, and; the residents in Telavi, Velistsikhe, Signaghi, Lagodekhi, Tsnori, Zugdidi, Martvili, Senaki, Poti, Mestia, Ushguli, Kutaisi, Akhaltsikhe, Lanchkhuti, Gori, Rustavi, and Tetritskharo. All stakeholders were extensively involved during TA9220 where subprojects were prioritized in each cluster. Under the additional projects proposed by MDF, impacted residents will be closely involved through additional stakeholder consultations, including the consultations during the social due diligence and preparation of LARP(s). Where necessary, TRTA consultants will conduct additional social surveys/consultations.

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?

The TA-9220 prepared integrated urban action plans through participatory planning and city visioning in all the three regional clusters. Two main rounds of consultations were organized involving representatives from local and regional government, NGOs, youth, academia and private sector (84 in North Kakheti, 49 in Zugdidi and 75 in Mestia). Focus group discussions involved 30 representatives in North Kakheti, 28 in Zugdidi and 25 in Mestia. Focus groups targeted gender, small businesses, youth, less able, and Internally Displaced People (in Zugdidi). The consultations for the other cities in the regions will be undertaken by MDF as per the revised guidelines for COVID-19 consultations issued by the Government of Georgia.

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?

☐ Information generation and sharing ☐ Consultation ☒ Collaboration ☐ Partnership

Under TA 9220 many CSOs has been identified of which some have been involved in the visioning and prioritization consultations. They would have a limited role during the TRTA. PARSA prepared Inclusive cities guidelines for

universal accessibility and the gender-sensitive guidelines prepared under TA-Future Cities Future Women will be taken into consideration for all sub-project designs. Recently established Destination Management Organizations in both regions could play a key role in ensuring maximum spin-off from the infrastructural investments under LCIP.

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

Adequately addressed through the stakeholder consultations conducted under TA9220 and taken care of during the design of 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

Most of the subprojects will not involve involuntary land acquisition and resettlement, and this will be reflected in the respective Social Due Diligence Reports (SDDR). A least two subprojects may involve temporary displacement issues and LARPs will be prepared for each of these subprojects. Meantime, Land Acquisition Resettlement Framework (LARF) has been prepared to guide the screening for all subprojects and resettlement planning (if any). The details on IR aspects for typical subprojects in regional clusters are described below.

As for the kindergartens and sport complexes, including swimming pool, the land plots intended for the mentioned facilities are registered as municipal/ State properties with no actual usage and considering this, involuntary land acquisition is not required. Developing of respective Social Due Diligence Reports for each project are underway.

In Telavi, the "Seven historical hills subproject" may involve some involuntary land acquisitions, but TRTA consultants will explore if this could be avoided through design alternatives. Draft SDDR is being prepared subject to finalization once the design issue is solved. For Telavi, during project implementation phase, several alternate access roads to the project sites will be used for construction materials delivery and construction waste transportation to avoid interruption of transport movement in the central part of the city. The rehabilitation of the sidewalks along the central street needs just -2-3 weeks, which will be sufficient for the works envisaged by the Project. During Construction works free access to the site and buildings along the sidewalks will be provided. All business owners operating along the said streets have been introduced to the project work-plan and explained that during the rehabilitation works the project will not prevent their working process. The presented plan was supported by the business representatives.

For Velistsikhe, there will be temporary displacement of existing businesses and occupants of housing during the works to renovate the streetscape and buildings, but there is no permanent land acquisition and resettlement. The LARP is being prepared for Velistsikhe sub-project. The business owners and residents are very supportive of the project and want to be part of the upgrading. The Theatre, where renovations will only temporarily displace any staff at the site. The Municipality has allocated alternate area for the Theatre, and the process will not be interrupted during the rehabilitation. The Municipality assumes responsibility that during the rehabilitation works the staff of the mentioned institutions will keep their job and salary.

For Zugdidi, no dislocation or displacement is expected for the Zugdidi multipurpose community center (library/e-learning youth center), nor is change of ownership expected through land acquisition. SDDR is being prepared for Zugdidi Library sub-project.

For Mestia, in particular for Laghami and Ushguli, there will be temporary displacement of existing businesses and occupants of housing during the works to renovate the historic towers and buildings, but there is no permanent land acquisition and resettlement. The LARP is being prepared for Mestia sub-project.

In all projects, the works will have to be planned and scheduled to provide the minimum disruption possible to business and inhabitants. In particular, it has to be ascertained that the designers and MDF have undertaken the necessary public consultations to ensure support from the local public.

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

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 transaction TA or due diligence process?

- ☐ Indigenous peoples plan ☐ Indigenous peoples planning framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☒ None

V. OTHER SOCIAL ISSUES AND RISKS

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

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

2. How are these additional social issues and risks going to be addressed in the project design?
The ToR and the General Contract Conditions will have to foresee paragraphs to recommend local sourcing (within the clusters) as well as make campaigns obligatory for the contractors to educate and train the staff on the construction sites how to avoid the spread of diseases. In case necessary, the contracts have to ensure facilities, equipment and materials to prevent or mitigate negative effects of communicable diseases (e.g. Corona virus-19).

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

- ☒ Yes, The TRTA team has been mobilized ☐ 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 transaction TA or due diligence?

Under the TRTA, international and national specialists have been mobilized for all social, gender, resettlement and other relevant safeguards. Their key tasks are to prepare the safeguards documents and/or review social and environmental documentation prepared for each project and conduct additional surveys, consultations and other measures as deemed necessary to comply with ADB Safeguards Policy Statement.