



Initial Poverty and Social Analysis

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GEO: Hospital Bond Project

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Georgia"/>	Project Title:	<input type="text" value="GEO: Hospital Bond Project"/>
Lending/Financing Modality:	<input type="text" value="General Corporate Finance"/>	Department/ Division:	<input type="text" value="PSOD / OPSD"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The transaction with JSC Evex Hospitals (Evex Hospitals) is aligned with the Asian Development Bank's (ADB) country partnership strategy for Georgia, 2019-23 (ADB CPS 2019-23) through its drive for inclusive growth and poverty eradication. Contributing to the Government of Georgia's (GoG) development strategies 'Freedom, Rapid Development, Prosperity: Government Platform 2016-2020' (GoG 2016-20) and 'Socio-economic Development Strategy of Georgia' (Georgia 2020), the transaction will provide investment in Evex Hospital's company-wide health service improvements, thereby helping the government and private sector meet increased demand for health services, improving human capital, health infrastructure development and inclusive growth.

B. Poverty Targeting

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

Evex hospitals, which are located in Tbilisi and other major regional cities in Georgia, treat Georgians from both urban and rural locations and, increasingly, 'medical tourists' from neighboring countries. The proposed transaction will support greater access to improved health services and, by providing locations where Georgians can access medical services and drugs, contribute to the government's delivery of its Universal Health Care insurance program, aimed at providing affordable and improved health care to low- and middle-income households.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The beneficiaries of the project will be Evex Hospitals and the general health-seeking population. Evex Hospitals will enhance its health services to cater for greater demand and an overall government drive to improve the public and private health sectors (GoG 2020). The project aims to alleviate pressure on Evex Hospitals' finances to service debt associated with two newly acquired and renovated hospitals and allow it to focus on enhancing its health services across its hospitals more broadly. Deka referral hospital now serves as a flagship hospital, providing full-scale services for general and oncological surgery, oncology (including chemotherapy), vascular and cardiac surgery and orthopedic surgery. Sunstone referral hospital serves the eastern Tbilisi population and will become east Georgia's referral center. The two hospitals have introduced a combined increase of 638 beds. Financing will support Evex Hospitals' plans to digitize medical records to achieve a fully integrated health information system that will contribute to both better quality services and higher operational efficiency; expand medical services such as oncology, chemotherapy, angio-surgery and transplant across more of the company's hospitals to improve the availability of these medical services across Georgia; train doctors and nurses to develop and sustain a supply of high quality medical professionals. An improved health infrastructure will support Georgians to utilize the state sponsored Universal Health Care (UHC) health insurance program. Patients with annual income of GEL 12,000-40,000 can use limited services UHC while those on less than 1000 GEL per month receive full insurance coverage for a range of services and drugs. This has enabled the government to finance medicines for chronic diseases for socially vulnerable families. The introduction of ADB safeguards, gender and development policy and core labor standards as requirements for Evex Hospitals' will create additional project benefits related to sustainable development at multiple levels.

2. Impact channels and expected systemic changes.
Through ADB's Evex Hospitals' bond investment, lower and middle class Georgians supported by UHC insurance will directly benefit from access to enhanced health services at the two newly renovated hospitals in Tbilisi.

3. Focus of (and resources allocated in) the transaction TA or due diligence.
As required under ADB SPS General Corporate Finance, an independent consultant will audit Evex Hospitals' current Environmental and Social Management System (ESMS) at a corporate level and use the two hospitals as sites to assess the effectiveness of ESMS implementation. A corrective action plan will be developed to guide Evex Hospitals to compliance with ADB safeguards, core labour standards and ADB's Gender and Development Policy.

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?

Gender is an important variable for understanding the effects of inefficient and inequitable health service provision. Women and girls are majority users and providers of the health care system in Georgia. An enhanced health care system will ensure women's reproductive health use needs such as deliveries and abortions, and related blood transfusions, unmet needs for contraception, and intimate partner violence are met. As health service employees, women are often underrepresented in management staff.

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

The project has the potential to contribute to the promotion of gender equity on two general levels: i) access to enhanced health services, ii) potentially increased women's empowerment amongst staff at Evex hospitals as a result of Evex Hospitals aligning itself with the ambitions of ADB's Social Protection Strategy 2001 and Gender and Development Policy 1998 which promote, inter alia, equal pay and treatment, anti-sexual harassment and eradication of various forms of workplace discrimination.

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.

Ongoing operational stakeholders include Evex Hospitals' parent company - JSC Georgia Health Care Group (GHG), Evex Hospitals' employees, in and out-patients, hospital contractors and suppliers, local residents and business owners, government health officials, and investors including IFC, EBRD and Proparco.

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 ESMS review will ensure engagement with various Evex Hospitals employees to determine efficacy and compliance with ADB SPS requirements.

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?

H Information generation and sharing M Consultation M Collaboration L Partnership

CSOs that are engaged with Evex Hospitals will be defined during the ESMS audit.

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

Evex Hospitals will ensure ESMS compliance with ADB Safeguards, Core Labor Standards (CLS) and Gender and Development Policy, and national labor laws.

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

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?

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

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

Evex Hospitals to ensure ESMS compliance with ADB Safeguards, CLS, and Gender and Development Policy, and national labour laws.

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 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?

International social and environmental specialist consultancy services with experience of working in Georgian hospital or health provision projects will be engaged to conduct the ESMS audit with PSOD safeguard team review of findings. Gender analysis will be undertaken by ADB PSOD Gender specialist in consultation with Evex Hospitals.