SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Georgia	Project Title:	Secondary Road Improvement Project				
Lending/Financing Modality:	Project Loan	Department/ Division:	Central and West Asia Department/ Transport and Communications Division				
	I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY						
	argeted intervention—geographic						
	A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy						
growth by ensurin competitiveness, dev improved by develop supporting innovatio Regional Developm infrastructure so that	ne government's Socio-economic Development Strategy of Georgia (Georgia 2020) ^a targets inclusive economic owth by ensuring macroeconomic stability and effective public administration, improving private sector competitiveness, developing human capital, and increasing access to finance. Private sector competitiveness will be approved by developing infrastructure; maximizing transit potential; further improving the business environment; and apporting innovation, technology, and export growth and diversification. The project also supports the government's egional Development Strategy, which notes "a clear need to develop smaller-scale, connecting transport frastructure so that populations currently remote from developing transport hubs can gain access to and benefit from em; and also so that potential investors can consider locations other than the limited number that are on the main ansport links". ^b						
The project will contribute to the sector outcome—increased efficiency and sustainability of the transport system— under ADB's country partnership strategy, 2014–2018. ^c The strategy primarily focuses on the first pillar (high and sustainable growth to create and expand economic opportunities) and the second pillar (broader access to economic opportunities) of inclusive economic growth under the Asian Development Bank (ADB) Midterm Review of ADB's Strategy 2020. ^d It addresses some of the main barriers to inclusive economic growth, including the deficiencies in transport.							
B. Results from the	e Poverty and Social Analysis du	iring PPTA or I	Due Diligence				
1. Key poverty and social issues. Widespread poverty has been a major unresolved problem for Georgia since independence in 1991. Out of around 4.5 million Georgians, about 1.0 million are estimated to be poor and about 400,000 of these people are classified as extremely poor. Georgia experienced jobless growth from 2004 to 2012 with an unemployment rate of 15.5% in 2012 and another 20.0% of the labor force underemployed. Limited job opportunities encourage a high rate of out migration. Poverty is particularly high in secondary towns. The national average is just 9.4%, confirming the United Nations Children's Fund (UNICEF) assertion that poverty in Georgia is mainly concentrated in secondary towns. ^e							
The project promotes inclusive growth by targeting two regions—one (Shida Kartli) with the highest poverty rate in the country (59.4%) and the other still significantly poverty affected (Imereti, 19.1% [the national average is 9.4%]). ^f The area, approximately 150 kilometers (km) west of the capital Tbilisi, is currently in economic decline and the average age of the population is rapidly increasing because of the outward migration of younger people. The remaining population suffers from lack of access to formal employment opportunities because of the dilapidated condition of the only road and infrequent service on an adjacent (for 35 km of the 50 km road corridor) railway line. The majority of the population therefore relies on subsistence farming and government pensions.							
Imereti and Shida Ka those of Surami villa	artli. The total population of the two	o municipalities efit from an all-	ities, Kharagauli and Khashuri, in two regions, is 88,900. All Kharagauli residents (27,100) and weather road, shorter traveling times, reduced of the project road.				
west, until it was byr river valley, with mou from about 4 hours rain) from 270 to 33 utilize school bus se saving access to m accidents, and eme access to the near health resort of Nu	bassed by the present E60 highwa untain on one side and river and ra- to 2 hours for the route, and incre 0 days per year. Approximately 20 rvices for an additional 2 months r edical facilities for those suffering rgencies. Access to markets for by Borjomi–Kharagauli National P unisi (mineral springs, hotel, and	ay. As such it fo illway on the oth case of motorab 00 students at t ather than walk g catastrophic the producers ark (1–7 day h d camp site) b	In Tbilisi in the east to the Black Sea coast in the rms an alternative route, which follows a narrow her. Direct impacts will be decreased travel times ble days (the area suffers from heavy snow and he three schools along the route will be able to ing through snow, and it will offer potentially life- health events, including complicated childbirth, of agricultural goods will be enhanced, as will hiking trails, mountain biking, horse riding) and by tourists, bringing future service sector job to the main E60 highway in case of landslide or				
standards for the po	por. One-third of officially recogni	zed poor house	assistance program is key to improving living sholds and 40% of extremely poor households a families is concentrated in the poorest quintile				

of households, but even in this group only 21.3% are covered. The government is improving the targeting mechanism of the targeted social assistance program but realizes that creating employment is the best way to reduce poverty.

5. Design features. The project will upgrade the present mostly gravel road to engineered surface within the geographically constrained (by mountain, railway line, and river) existing corridor, with modest road safety design improvements.

C. Poverty Impact Analysis for Policy-Based Lending

Not applicable.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Given the limited geographic location, residents will be kept appraised of impacts and opportunities and have access to the grievance mechanism through the Roads Department of Georgia website, and the mechanisms of the land acquisition and resettlement plan (LARP) and environmental management plan (EMP). Consultations in this respect have been taking place since early in the project preparation stage in 2014.

2. Civil society organizations. The project is involving civil society through consultations with local government.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA)

 \boxtimes (H) Information gathering and sharing \boxtimes (M) Consultation \square (NA) Collaboration \square (NA) Partnership

4. Participation plan.

☐ Yes. ☐ No. Consultations and awareness raising will take place through implementation of the LARP and EMP.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Some Gender Elements.

A. Key issues. Women in the project area are predominantly engaged in home-based work plus agriculture and
associated activities. A survey of 75 households found only two women working outside the home. The age
demographic of the area is generally skewed upwards, with many younger people migrating for work. At least half of
the project-affected households receive a pension. Incomes are not high, with over 90% being spent on food and
medical expenses each month. Access to medical facilities, up to 25 km away on average, was cited as a major
expected benefit of the project. Some women expressed an interest in construction work or small business as a result
of increased localized economic activity. A large number of project-affected households are headed by women, according to the LARP (71 out of 305, or 23%).

B. Key actions. The project has some specific gender design elements. The LARP included households headed by women as a vulnerable group and additional assistance will be afforded to these affected persons. Provisions in the construction contract will ensure equal pay for equal work. The entrepreneurship training for 100 persons of whom 50% are women will be provided during the project implementation. Road safety awareness campaigns for communities with 50% of women and girls will be organized during the project implementation. Road designs will include road improvement to all weather standard including paved road and shoulders with 2 focus group (each with at least 8 women) discussions towards project end to assess whether the project has reduced women's time, poverty and/or improved the quality of their lives.

 \Box Gender action plan \Box Other actions or measures

No action or measure

	IV.	ADDRESSING SOCIAL SAFEGUARD ISSUES	
A.	Involuntary Resettlement	Safeguard Category: 🗌 A 🛛 B 🗌 C 🔲 FI	
1	Key impacts. Total private land to	be acquired is 7.2 bectares. There are 305 affected bouseholds com	nrici

1. Key impacts. Total private land to be acquired is 7.2 hectares. There are 305 affected households comprising 803 affected people. Fifteen affected households will be physically displaced and a total of 50 affected households, comprising 135 affected people, will be severely affected (either physically displaced and/or lose 10% or more of income-producing assets; 139 households are considered vulnerable.

2. Strategy to address the impacts. The project's draft LARP was prepared in 2014 and will be updated according to the detailed design of the project. Community consultations have been conducted during project preparation and will be continued throughout LARP implementation. A grievance redress mechanism has been agreed and will be established and operation prior to LARP implementation. The Roads Department of the Ministry of Regional Development and Infrastructure (RDMRDI), which is experienced in implementation, and monitoring of the LARP.

Plan or other actions.	
Resettlement plan	Combined resettlement plan and indigenous peoples plan
Resettlement framework	Combined resettlement framework and indigenous peoples
Environmental and social management	planning framework

system arrangement Social impact matrix				
□ No action				
B. Indigenous Peoples Safeguard Category: A B C FI				
 Key impacts. There are no indigenous peoples, per the Safeguard Policy Statement (SPS) 2009 definition, in the project area. The project does not trigger the ADB safeguard on indigenous peoples. 				
Is broad community support triggered?				
2. Strategy to address the impacts. Not applicable.				
3. Plan or other actions.				
 Indigenous peoples plan Indigenous peoples planning framework Environmental and social management system arrangement Social impact matrix No action Combined resettlement plan and indigenous peoples plan Combined resettlement framework and indigenous peoples planning framework Indigenous peoples planning framework and indigenous peoples planning framework and indigenous peoples planning framework 				
V. ADDRESSING OTHER SOCIAL RISKS				
A. Risks in the Labor Market				
1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).				
🖾 (L) unemployment 🔲 (L) underemployment 🔲 (L) retrenchment 🔲 (L) core labor standards				
2. Labor market impact. Localized construction work opportunities for a limited duration of 2–3 years.				
B. Affordability				
Not applicable. The road is not revenue generating.				
C. Communicable Diseases and Other Social Risks				
 The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): (L) Communicable diseases (L) Human trafficking (NA) Others (please specify) 				
2. Risks to people in project area.				
Due diligence noted high levels of literacy and knowledge about communicable diseases.				
VI. MONITORING AND EVALUATION				
1. Targets and indicators.				
Project performance monitoring. The Roads Department will require the engineer to (i) collect additional data from relevant agencies, including local governments and statistics bureaus; (ii) measure the performance indicators at inception, at completion, and 3 years after project completion; and (iii) report key findings quarterly to ADB through the project's quarterly project reports.				
Compliance monitoring. The Roads Department will provide an annual report on the project's compliance with legal, financial, economic, environmental, and other covenants.				
Safeguards monitoring. The Roads Department will monitor the implementation of the environment and resettlement action plans. The quarterly report will include the status of these plans. The Roads Department will engage individual consultants for periodic inspection and reporting on safeguard and gender matters.				
2. Required human resources. Supervision and individual consultants and LARP unit of Roads Department.				
3. Information in the project administration manual. The above monitoring requirements are included in the project administration manual (section IX B).				
4. Monitoring tools. Project reporting as above.				
 ^a Government of Georgia. 2014. Socioeconomic Development Strategy of Georgia (Georgia 2020). Tbilisi. ^b Government of Georgia. 2015. Regional Development Programme of Georgia 2015–2017. <u>http://static.mrdi.gov.ge/550c24ee0cf24147438b16f6.pdf</u> (accessed June 2016). ^c ADB. 2014. Country Partnership Strategy: Georgia, 2014–2018. Manila. ^d ADB. 2014. Midterm Review of Strategy 2020. Manila. ^e HNCFE. Child neurophysical actions and a constraints of the participation of the partici				

^e UNICEF. Child poverty. <u>http://unicef.ge/10/Child-poverty/24</u> (accessed on 17 February 2017).
 ^f World Bank. 2009. *Georgia Poverty Assessment, Report No. 44400-GE.* Washington, DC.
 Source: Asian Development Bank estimates.