



## Initial Poverty and Social Analysis

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### Georgia: North–South Corridor (Kvesheti–Kobi) Road Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 27 June 2018)

Currency unit	–	lari (GEL)
GEL1.00	=	\$0.4060
\$1.00	=	GEL2.4630

### **NOTE**

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

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	North–South Corridor (Kvesheti–Kobi) Road Project
Lending/Financing Modality:	Project Loan	Department/Division:	CWRD/CWTC

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>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 <i>Socio-Economic Development Strategy ("Georgia 2020")</i> 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.<sup>a</sup></p> <p>These goals are in line with ADB's Midterm Review of Strategy 2020 and the ADB Country Partnership Strategy (CPS) for Georgia, 2014–2018, which places emphasis on inclusive growth, infrastructure development and human capital development. The proposed project outputs will be (i) Kvesheti–Kobi constructed and local access roads improved, and (ii) capacity of the Roads Department and technical universities on bridge and tunnel management strengthened.</p>
<p><b>B. Poverty Targeting</b></p> <p><input checked="" type="checkbox"/> General Intervention   <input type="checkbox"/> Individual or Household (TI-H)   <input type="checkbox"/> Geographic (TI-G)   <input type="checkbox"/> Non-Income MDGs (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, and 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 socio-economic opportunities even beyond the project corridor. In addition, the project is expected to reduce the risks and disturbance caused by heavy transport flows and provide capacity building activities.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p><b>1. Key issues and potential beneficiaries</b></p> <p>The percentage of the population under absolute poverty has decreased from 37.4% (2007) to 21% (2016).<sup>b</sup> 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.<sup>c</sup> In 2016, 49% of the 1,763,000 economically active population worked in agriculture, forestry or fishing.<sup>d</sup> 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.<sup>e</sup> From 2012–2015 around 46% of women were employed compared with 53% of men.<sup>f</sup> 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.<sup>g</sup></p> <p>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.</p> <p>The potential beneficiaries of the project are the traders, transport operators, tourists/visitors well as those involved in trading agricultural products and the local population that will have improved mobility and access to socio-economic opportunities.</p> <p><b>2. Impact channels and expected systemic changes.</b></p> <p>The project is part of the North-South road corridor 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. all-season road, 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.</p> <p><b>3. Focus of (and resources allocated in) the PPTA or due diligence:</b> Resettlement and social development/gender specialist will be recruited and will undertake group consultations with local communities, local stakeholder organizations, and district governments. Greater understanding of the impacts of the road reconstruction will be gained, such as the project's impact on jobs and occupations, road safety, access to markets and education, provision of regional public transport.</p>

## 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. The lack of street lighting, bus stops, commuter information, pedestrian crossings, and road safety signs threaten women's and children's safety on the roads. Studies show that women are most likely to be passengers and users of public transport systems to access schools, health centers or markets. Improved roads especially in the rural areas, will facilitate women's access to education, jobs, services and to markets to sell their goods. 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 g).

### 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 improving women's access to income-generating opportunities. More significantly, the project will explore possible investments in getting more women in technical positions in the transport and roads sector, specifically by creating linkages with technical universities in Georgia and supporting women in civil engineering courses, to prepare them for possible jobs in the Roads Department and other related agencies in the sector.

### 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) 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 safeguard, 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 CSOs/NGOs will be identified and, as relevant, engaged in consultative process during preparation and implementation of LARP and during project implementation by the Executing Agency.

(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 implementation of land acquisition and resettlement plan to provide entitlements for assistance and livelihood restoration under LARP provisions. The EA will conduct consultations with affected persons considering the vulnerable groups.

## 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 23km of new two-lane highway, including a 9km tunnel, constructed to 80 km/hour design speed standard. It is expected that more than 200 people will be significantly affected. Approximately 350 plots are to be fully or partially acquired, and it is estimated that approximately 175 AHs will be significantly affected. A draft LARP has been prepared and is under revision.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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. PPTA and DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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 PPTA or due diligence? Remuneration and survey budget will be allocated to consultants undertaking the poverty social and gender analysis during feasibility study stage.

- <sup>a</sup> Government of Georgia. 2014. *Socio-economic Development Strategy of Georgia (Georgia 2020)*. Tbilisi.
- <sup>b</sup> Geostat. 2016. *Population Statistics: Living Conditions*.
- <sup>c</sup> 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> (accessed February 2018).
- <sup>d</sup> ADB. 2016. *Key Indicators for Asia and the Pacific*. <https://www.adb.org/sites/default/files/publication/357006/geo.pdf>.
- <sup>e</sup> 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>
- <sup>f</sup> Geostat. 2015. [http://www.geostat.ge/cms/site\\_images/files/english/Gender%20Statistics.pdf](http://www.geostat.ge/cms/site_images/files/english/Gender%20Statistics.pdf)
- <sup>g</sup> 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](http://www.geostat.ge/cms/site_images/files/english/health/W&M%20in%20ENG_2017.pdf).