

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country/Project Title: Georgia: Sustainable Urban Transport Investment Program

Lending/Financing Modality: Multitranche Financing Facility Department/ Division: Central and West Asia Department/ Urban Services Division

### I. POVERTY ANALYSIS AND STRATEGY

#### A. Link to the National Poverty Reduction Strategy and Country Partnership Strategy

The Sustainable Urban Transport Investment Program is consistent with the interim operational strategy of Georgia.<sup>a</sup> It will improve service delivery in municipal infrastructure within the evolving decentralization process and reduce road transportation constraints on economic activity. The proposed multitranche financing facility (MFF) will promote efficient and effective urban transport services through incentives and capacity building to improve the quality, reliability, accessibility, affordability, integration, and coverage of transport services. The MFF will finance improvements to urban transport infrastructure and services. The investment program will:

- (i) **Create jobs and employment opportunities.** It is anticipated that between 1,000 and 1,500 full-time jobs will be created during the construction period and 400–500 multiplier effect jobs will be created. Of the construction jobs, the targets are for 65% to be unskilled and 30% to be women. The loan assurances specifically address employment of vulnerable groups and women.
- (ii) **Improve living standards.** Living conditions will be improved by urban renewal with green areas, development of clean transport solutions, promotion of nonmotorized transport facilities such as footbridges and bicycle lanes, and the redesign of existing facilities to improve accessibility. This will significantly reduce time burdens, particularly for women
- (iii) **Protect the environment.** The environment management plan outlines clear actions for environmental protection during construction, and these are accounted for in the loan assurances. An awareness campaign will promote a shift to clean transport modes. It will target small businesses, communities, and schools.
- (iv) **Provide skills training.** The investment program will include skills training (including for construction, marketing, communication, and public service contracts). This will be done through the program management facility, and the resettlement and gender action plans (GAPs).
- (v) **Support gender inclusion.** Loan assurances will ensure the participation of women throughout the Investment program. Gender benefits are addressed in GAP.

#### C. Poverty Analysis

**Targeting Classification:** General intervention

##### 1. Key issues

Georgia ranks 97th out of 177 countries in the Human Development Index of the United Nations Development Programme (UNDP). It ranks higher than Azerbaijan (99th) but lower than Armenia (79th). More than one third of Georgia's population is below the national poverty line (poverty is lower in urban areas). Poverty incidence is comparable with that in other countries in the South Caucasus. The incidence of poverty is 39.4% and the depth of poverty is 13.5%. The process of poverty reduction is rooted in a broad range of socioeconomic activities to which urban transport services provide intermediate inputs. The investment program will have an indirect impact on poverty. The provision of urban transport services, including the construction, operation, and maintenance of transport infrastructure, will generate demand for labor (often unskilled labor) and provide income-earning opportunities for the poor. If an urban transport project generates jobs for the poor, who are otherwise unemployed or underemployed, it contributes indirectly to poverty reduction. The investment program will stimulate economic development particularly in tourist areas (Adjara region, Mestia, Tbilisi) creating indirect employment opportunities as well.

##### 2. Design features

The design has attempted to reduce impacts on land acquisition and resettlement. The MFF's assurances call for employment of local labor, especially from vulnerable groups and women. The GAP outlines strategies for mitigating adverse impacts and promoting positive benefits such as employment and skills training. Under the capacity development program, a public awareness campaign for use of clean and low carbon transport solutions will be implemented.

### II. SOCIAL ANALYSIS AND STRATEGY

#### A. Findings of Social Analysis

The investment program will benefit more than 2.2 million urban residents. The strategic vision of the MFF is to promote a sustainable, integrated, socially affordable, and cost-efficient urban transport system. By 2030, urban transport will play a major role in improving access to businesses and communities, sustaining economic and tourism development, and enabling citizens to tap economic and social opportunities. Tranche 1 of the MFF will directly benefit over 1.53 million urban residents (35% of the national population and 66% of the urban population) improving living conditions and the economic and urban environment of participating municipalities. The potential beneficiaries are local residents without cars, students, commuters, and road and public transport users. The poor and socially excluded will benefit through (i) better accessibility to cities and other activity centers, (ii) more affordable transport alternatives to travel in the city, (iii) better living conditions and pollution

reduction, (iv) construction and maintenance of road projects, and (v) development of business activities around the subprojects upon project completion. The major issues and opportunities addressed during the poverty analysis were as follows.

**Impacts on health and safety.** The main health issue related to urban transport is pollution. Traffic congestion, secondhand cars, the age of the car fleet, and the use of low-quality gasoline generate 80% of the air pollution in Tbilisi.<sup>b</sup> The concentration of carbonic acid in the air already exceeds the norm by 1.5–2.5 times and increases health problems. In terms of safety, car usage has increased and, combined with dangerous driving, this has led to dramatic increase in road accidents. For the whole of Georgia, there were 737 deaths and 7,349 injuries in 2007 (53% of which occurred in Tbilisi), a 62% increase since 2002. Alcohol is the main cause of accidents, accounting for 37% of the total. This is far ahead of other causes such as drivers' behavior, lack of pedestrian safety equipment, road conditions, and dangerous intersections.

**Impacts on quality of life.** Noise, poor access, and an unfriendly environment are key issues affecting quality of life. Public space is frequently invaded by illegal parking, obstructing pedestrian flows, particularly in city center where there is a lack of space. Pedestrian zones are rare and badly maintained. Green areas are disappearing and are not properly maintained. Noise reduction is limited; no sound-muffling walls have been constructed to minimize traffic noise impact. There are no specific arrangements for nonmotorized transport such as bicycles or pedestrians, which are often the first victims in traffic accidents. The investment program will focus on urban renewal and promoting and upgrading nonmotorized transport facilities.

**Fares and affordability.** Public transport fares are generally low and public transport is still the main means of transport for 55% of the population in Tbilisi and 70% outside the capital. Of the public transport users, 75% do not own a car. Subsidies have kept prices affordable and the municipality still subsidizes fares for 200,000 citizens below the poverty line. However, unregulated minibuses, which now carry the bulk of passengers in cities, do not accept social and concessionary fares. Besides, transfers between different modes of transport are not favored as each trip has to be paid for independently. This limits mobility, and the investment program will finance the development of an integrated ticketing system allowing transfers between different modes. During implementation, tariff and fare reform will be explored and a household survey will assess sensitivity to tariff increases in exchange for improvements to services, comfort, and safety.

**Impacts on employment.** The investment program will contribute to poverty reduction by stimulating economic development. In particular, it will increase the mobility of about 1.34 million people living in Tbilisi. It will generate an estimated 1,000–1,500 jobs during implementation. It is expected to promote tourism and thus socioeconomic development in the participating municipalities. Employment targets for local unskilled workers, women, and vulnerable groups have been specified in the design and monitoring framework.

## B. Consultation and Participation

1. Consultations were carried out with all the stakeholders during investment program preparation, with local residents and civil society. Stakeholders were informed about the subprojects, and information will continue to be provided during implementation of the project. Consultations were also held at various levels of government, including the Municipal Development Fund (including its resettlement division), Ministry of Region Development and Infrastructure, local governments at the *rayon* (district municipality) level and *gamgebeli* (governor) level, as well as with the donor community (the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank and the Millennium Development Corporation).

2. What level of consultation and participation is envisaged during the implementation and monitoring?

Information sharing     Consultation     Collaborative decision making     Empowerment

3. Was a consultation and participation plan prepared?  Yes     No

## C. Gender and Development

### 1. Key Issues.

The investment program will provide equal opportunities for men and women for: (i) employment for the construction of projects, (ii) stakeholder consultation and participation, and (iii) employment accessibility to city and activity centers; and (iv) increased access to university education. It will provide substantial benefits to women by improving their access to transport services and enhancing their rights and benefits. Recommended measures include:

- (i) Capacity building activities such as information campaigns on HIV/AIDS risks, provision for equal pay, gender awareness and hygiene promotion, and other required training of participating municipalities; improving sex-disaggregated statistics; increased representation of women at the decision-making level in the sector agencies.
- (ii) Physical design and operational policies will help ensure protection of female passengers and employees against threats to their safety and security, and other forms of violence against women. These may include: (1) improved security measures such as increased visibility of security personnel; (2) lighting in all transport facilities, including stations, stops, waiting areas, toilets, and interchanges; (3) information on what to do and where to complain to in cases of violations to personal safety; and (4) assignment of seats in the metro train and in the minibuses with priority for women.

These protective measures will help to make urban transport reliable, and the city more attractive to tourists. They will

contribute to the fulfillment of the gender equality provisions set by the Millennium Development Goal on promoting gender equality and empowering women; and the Convention Against All Forms of Discrimination Against Women, which Georgia is a party to.

**2. Key Actions.** Measures included in the design to promote gender equality and women’s empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

- Gender plan     Other actions/measures     No action/measure

MFF assurances prioritize women for employment and skills training. At least 30% of participants in public meetings on the project interventions, in consultative workshops and in activities of identification of issues, training methods, outreach, materials, and monitoring addresses gender are women.

**III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS**

| <b>Issue</b>   | <b>Nature of Social Issue</b>   | <b>Significant/Limited/ No Impact/Not Known</b> | <b>Plan or Other Action Required</b>   |
|--|---|---|--|
| Involuntary resettlement   | Projects will not have significant land acquisition and resettlement impacts. A land acquisition and resettlement framework has been prepared; land acquisition and resettlement plans will be prepared when needed. The land acquisition and resettlement framework will be relevant to all subsequent tranches. Appraisal of successive periodic financing requests will require preparation of land acquisition and resettlement plans for relevant projects | Limited Impact                                  | <input type="checkbox"/> Full Plan<br><input type="checkbox"/> Short Plan<br><input checked="" type="checkbox"/> Resettlement Framework<br><input type="checkbox"/> No Action<br><input type="checkbox"/> Uncertain                  |
| Indigenous Peoples   | ADB's Safeguard Policy Statement (2009) is not likely to be triggered by the investment program. Tribal communities existing outside the cultural and legal mainstream are generally not present in the project areas.  | No Impact                                       | <input type="checkbox"/> Plan<br><input type="checkbox"/> Other Action <sup>16</sup><br><input type="checkbox"/> Indigenous Peoples Framework<br><input checked="" type="checkbox"/> No Action<br><input type="checkbox"/> Uncertain |
| Labor<br><input checked="" type="checkbox"/> Employment Opportunities<br><input type="checkbox"/> Labor Retrenchment<br><input type="checkbox"/> Core Labor Standards <sup>17</sup>                              | Civil works contracts will adhere to applicable labor laws and regulations. Loan assurances will include provisions against differential payment for men and women for work of equal value and against child labor. The investment program will ensure that there are adequate health and safety measures in place during construction.   | No Impact                                       | <input type="checkbox"/> Plan<br><input type="checkbox"/> Other Action <sup>18</sup><br><input checked="" type="checkbox"/> No Action<br><input type="checkbox"/> Uncertain  |
| Affordability  | An improved and extended public transport network will offer more possibilities to travel to city center for the low-income population and students. No tolls will be collected on project roads. The investment program will promote an integrated tariff that incorporates the microbus network and that accepts social and concessionary fares and allows free transfers.  | No Impact                                       | <input type="checkbox"/> Action<br><input checked="" type="checkbox"/> No Action<br><input type="checkbox"/> Uncertain   |
| Other Risks and/or Vulnerabilities<br><input type="checkbox"/> HIV/AIDS<br><input type="checkbox"/> Human Trafficking<br><input type="checkbox"/> Others (conflict, political instability, etc.), please specify | Political instability and civil unrest may hinder the timeliness of the investment program’s implementation. The MFF modality provides some flexibility in investment timing to accommodate such risks.   | Limited Impact                                  | <input type="checkbox"/> Plan<br><input type="checkbox"/> Other Action<br><input checked="" type="checkbox"/> No Action<br><input type="checkbox"/> Uncertain  |

**IV. MONITORING AND EVALUATION**

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation?  Yes     No    If no, please explain why.

<sup>a</sup> ADB. 2009. *Georgia: Interim Operational Strategy 2008-2009*. Manila.

<sup>b</sup> Source Non Government Organization. 2008., Better Outdoor Air Quality through Cleaner Fuels and Vehicles. Source: Asian Development Bank.