

**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

Country: Georgia	Project Title: Urban Services Improvement Investment Program		
Lending / Financing Modality: Multitranche Financing Facility	Department / Division:	Central and West Asia Department Urban Development and Water Division	

<b>I. POVERTY ANALYSIS AND STRATEGY</b>	
<b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b>	
<p>The investment program links with the national policy document <i>United Georgia Without Poverty</i><sup>a</sup> by improving the quality of water supply and the sanitation system and by expanding households' access to water supply and sanitation (WSS) infrastructure. The investment program assists the government in realizing Millennium Development Goals (MDGs), especially MDG 7, by broadening urban water supply coverage. The Basic Data and Directions Program (2007), which prepares implementation plans for national programs, states that there will be improvements to WSS infrastructure in the regions of Samegrelo–Zemo Svaneti and Kvemo Kartli, where the investment program is planned. It also links with national targets to improve health and reduce household expenditure on medical care. In the interim operational strategy for Georgia of the Asian Development Bank (ADB), developing infrastructure is a core investment area.<sup>b</sup></p>	
<b>B. Poverty Analysis</b>	<b>Targeting Classification: Targeted intervention (TI-M7)</b>
<b>1. Key issues.</b>	
<p>Widespread poverty has been a major unresolved problem for Georgians since independence in 1991. According to official statistics and comprehensive poverty studies in 2010, 21% of the country's population lives in poverty,<sup>c</sup> including 8.8% in extreme poverty. A 2009 United Nations Children's Fund survey monitoring social welfare found that poverty was concentrated in secondary towns. Further, the survey found poverty incidence high among households headed by women, at 25%.<sup>d</sup></p> <p>The main reason for persistently high poverty is high unemployment, at 16.9%. Economic recovery has recently occurred, but it has not yet reduced unemployment or alleviated poverty. Limited job opportunities encourage a high rate of out migration. An increasing percentage of migrants are women, now 56%, as opportunities for men to find work in the Russian Federation declined after the economic crisis and the war in 2008.</p> <p>Georgia's targeted social assistance program is key to improving living standards for the poor. One third of officially recognized poor households and 40% of extremely poor households receive no social assistance at all. Free health insurance for vulnerable families is concentrated in the poorest quintile of household, 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.</p>	
<b>2. Design features.</b>	
<p><b>Physical investment.</b> Improving WSS services and generating awareness of the importance of clean water and hygiene will improve public health and hygiene, especially among the poor, internally displaced, and households headed by women. In communities of internally displaced people, the improved water quality and provision of public toilets and washing facilities will reduce waterborne and sanitation-related disease and significantly cut coping costs incurred to compensate for inadequate water supply and low water pressure. The quality of life will be enhanced by environmental improvement consequent to introducing proper sewerage and wastewater treatment in towns with decaying infrastructure and pit latrines. Construction for physical investments under the investment program will create temporary employment and require labor for system operation and maintenance in the long term.</p> <p><b>Investment in institutional effectiveness.</b> Residents will be educated on their customer rights and the creation of a reliable grievance-hearing mechanism. Monitoring the efficiency of WSS services for the poor will be based on consumer groups' feedback, census information, disconnection rates, complaint statistics, and information collected by local nongovernment organizations (NGOs). The investment program will benefit from the regional technical assistance (TA) Promoting Gender-Inclusive Growth in Central and West Asia Developing Member Countries.<sup>e</sup> Through the regional TA, a pilot project on consumer education and awareness generation will be implemented in Mestia and Marneuli by an apex NGO. The apex NGO will conduct a comprehensive household survey to determine the improvements needed in water and wastewater management in households before and after an information, education, and communication (IEC) campaign, which will especially target women as household managers. The results of the pilot project will inform the public awareness campaign of the United Water Supply Company of Georgia (UWSCG), the investment program's implementing agency. The public awareness campaign will then be rolled out in parallel in all six secondary towns to create awareness and ownership of the investment program. Sex-disaggregated data on poor households' access and affordability will guide long-term WSS services to the poor.</p>	

## II. SOCIAL ANALYSIS AND STRATEGY

### A. Findings of Social Analysis

**Key issues.** A socioeconomic survey conducted by the policy and advisory TA consultants in June 2010 covered 450 households to analyze social, poverty, and gender development issues in the Georgia's urban centers, where 39.7% of households live below the minimum subsistence level of GEL220/month, equivalent to \$33.50/person for an average household with 3.5 members. At 40.7%, proportionately more Georgians live below the minimum subsistence level than do Azeris and Armenians, who receive more remittances from Azeris and Armenians working abroad. The different prevalence of poverty in secondary towns and national average is confirmed by the recent United Nations Children's Fund survey monitoring social welfare.

Only 87% urban residents have access to piped water service in Georgia, where the MDG 7 target is 95%. Almost 64% of customers served by UWSCG experience only intermittent service, as only 25% of service centers provide 24-hour coverage. Almost half of urban residents lack piped sewer connections and rely on other onsite sanitation systems, including pit latrines and septic tanks. Wastewater treatment is extremely limited, threatening public health and the environment.

The number of households directly supplied by UWSCG with tap water is 57.4%, while 32.7% of households obtained water through a tap from another source or water tanker and the rest has no supply at home. These figures actually reflect a wide range of conditions, as some secondary towns, such as Poti, are fully equipped with piped water and others, such as Zugdidi or Anaklia, require all families to use alternative sources because the piped water system has not operated since the war in 1993. Among those with access to piped water, almost half have supply for only 3–4 days per week, mostly for only 2–4 hours per day.

To cope with the situation, consumers purchase storage tanks and water pumps to cover the times when water supply is cut. Those without access to a piped water dig wells or boreholes and pump water into a range of containers. Only 2% of households try to improve the quality of water before using it for drinking and cooking by filtering, boiling or chlorinating it. The proportion of all households spending more than 3% of their income on utilities was 7.5%. Average water-related costs are GEL2.5/month. Functional central sewerage systems reach 38.2% of households (38.2%).

Knowledge and information on the importance of WSS services are conspicuously lacking, as are customer rights and tariff schemes.

### B. Consultation and Participation

1. Provide a summary of the consultation and participation process during the project preparation.

Policy and advisory TA consulted with the central and local governments, civil society including NGOs, and community men and women meeting separately, using key informant interviews, surveys, and focus group discussions.

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

Information sharing     Consultation     Collaborative decision making     Empowerment

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

All stakeholders will be consulted as part of a structured participation process, which will commence with an IEC campaign to be conducted in the two pilot areas of Mestia and Marneuli by an apex NGO, thereby creating a direct feedback mechanism for the community. The IEC campaign will generate awareness of the benefits of improved WSS, the cost savings of having safe and continuous water supply, safe sanitation, and the reasons why the improved service will require a higher tariff.

### C. Gender and Development

**Gender Mainstreaming Category:** Effective gender mainstreaming

#### 1. Key issues.

Georgian society is still influenced by prevailing gender norms that a man's role is to work outside the home to support the family and a woman's is to tend to family obligations and manage the household. Because of the difficult economic situation, more women carry the double burden of running the household and contributing to family income. This is especially true of the high number of households headed by women because of male labor out migration. The limited availability of reliable WSS services, especially for women, is important for its implications for health and hygiene. In addition, women are not fully aware of their WSS consumer rights.

In the urban WSS sector, women's participation still needs to be increased. According to the human resource department of the UWSCG, 35% of employees are women, largely performing administrative tasks. In top management, 4 out of 14 department heads, or 30%, are women. A career development plan for UWSCG is not yet in place, and there are plans now to create a computerized database of UWSCG employees, which would allow sex-disaggregated analysis of human resource management. Regarding policy, women's representation in the State Commission on Water Supply and Energy is low, with only 2 women among its 19 members.

<b>2. Key actions.</b>			
<input checked="" type="checkbox"/> Gender plan <input type="checkbox"/> Other actions/measures <input type="checkbox"/> No action/measure			
<p>The investment program will improve women's participation in WSS management and service delivery by creating employment and career development opportunities. It will improve the awareness and education of women, as household managers, of WSS issues and thus empower women as informed customers. An impact analysis of a comprehensive IEC campaign in the two pilot areas of Mestia and Marneuli on consumer behavior and new clients' rates of signing for UWSCG services will be conducted in 2012, supported by TA for Promoting Gender-Inclusive Growth in Central and West Asia Developing Member Countries,<sup>e</sup> to inform the public awareness campaigns of UWSCG, which will be rolled out in all investment program towns, with evidence-based research on the most effective IEC campaign methods.</p>			
<b>III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS</b>			
Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	Limited	Temporary impact during construction is anticipated along a water transmission pipeline in Mestia.	<input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework
Indigenous peoples	No impact	Indigenous peoples safeguards will not be triggered by this investment program, as Georgia has no such communities as defined by ADB.	<input checked="" type="checkbox"/> No action
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Limited	Employment in UWSCG and career development opportunities will accrue. Subprojects may generate employment for local people during construction and operation.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
Affordability	Significant	The tariff scheme will be developed in line with willingness to pay and social economic survey.	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No action
Other risks and/or vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	No impact	The influx of construction workers may spread HIV/AIDS. Prevention programs will be provided for the construction workers through public awareness programs.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
<b>IV. MONITORING AND EVALUATION</b>			
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

<sup>a</sup> Government of Georgia. 2008. *United Georgia Without Poverty*. Tbilisi.

<sup>b</sup> ADB. 2008. *Georgia: Interim Operational Strategy, 2008–2009*. Manila.

<sup>c</sup> The current official Geostat threshold of poverty is set at GEL89.7 per person per month; 60% of median consumption in 2009, the threshold for extreme poverty, is set at GEL61.1 in 2009, which is equivalent to \$1.25/day, the minimum required to meet daily caloric needs.

<sup>d</sup> In 2009, Georgia scored 0.414 in the gender empowerment index, reflecting high gender inequality. To remove such inequalities, the government has enacted the Gender Equality Law.

<sup>e</sup> ADB. 2010. *Technical Assistance for Promoting Gender Inclusive Growth in Central and West Asia Developing Member Countries*. Manila (TA 7563-GEO).

Source: Asian Development Bank.