

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

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

<p>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</p> <p>Poverty targeting: General intervention</p>
<p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</p> <p>e development of transport infrastructure is a key priority of the Government of Georgia under its socioeconomic development strategy “Georgia 2020”, which aims to transform Georgia into a regional transport and logistics hub.^a It is viewed as a critical catalyst for generating economic activity, employment, accelerated growth and sustainable macroeconomic development nationwide. These goals are in line with the Strategy 2030 of the Asian Development Bank (ADB), and ADB’s country partnership strategy for Georgia, 2014–2018, both of which place emphasis on regional integration and infrastructure development.^b</p>
<p>B. Results from the Poverty and Social Analysis during Due Diligence</p> <p>1. Key poverty and social issues. Georgia ranks 70th out of 189 countries and territories on the Human Development Index,^c with one-fourth of the population falling below the national poverty line. About 60% of the population lives in urban areas, where poverty is higher, especially among households headed by women.^d The Overall unemployment rate is 11.8%.^e Rural residents are isolated economically and depend on small-scale farming activities for their livelihoods. The project area includes the rural, mountainous Khada Valley region. The districts of Dusheti and Kazbegi have a population of about 30,000, and are characterized by poor connectivity and inadequate infrastructure, the absence of formal employment, and few economic opportunities for the local population. Men travel to Tbilisi or Gudauri for work, while women engage in domestic agriculture, livestock and vegetable production, as well as household work. The lack of public transportation greatly inhibits people’s mobility, and that of women in particular, who often have to rely on receiving rides from male neighbors who drive cars or walk long distances. The country compares poorly with its European neighbors in terms of road safety, with 15.3 fatalities per 100,000 persons in 2016.</p> <p>2. Beneficiaries. The main beneficiaries are the local population and road users, including entrepreneurs and commercial, trading and/or industrial entities; drivers of public transport services; and tourists. The project will link Tbilisi to the South Caucasus and Russia, enhancing the movement of people and goods.</p> <p>3. Impact channels. The proposed project will have an indirect impact on poverty reduction. Improved roads enable faster, safer, and cheaper transportation of people and goods, enhance trade, and spur economic activities. The project will also open up income and livelihood opportunities for the local population through provision of all-weather local access roads and the Khada Valley visitor center.</p> <p>4. Other social and poverty issues. Socioeconomic surveys and a gender and social analysis were conducted during project preparation. The main issues identified include (i) lack of healthcare services, specifically the absence of a hospital; (ii) poor school infrastructure; (iii) the absence of internet connectivity; and (iv) poor electricity supply.</p> <p>5. Design features. The project road will be constructed to a two-lane asphalt surfaced standard, with an additional climbing lane along 70% of the alignment. The project road includes five tunnels with a total length of about 10.5 kilometers (km), one of which is about 9 km long; and 6 bridges with a total length of about 1.6 km, including a high-level concrete arch structure. The project will also include the construction and establishment of the Khada Valley visitor center, which will help improve livelihoods of residents in Khada Valley and roadside villages by creating job and business opportunities. In addition, the project will enhance the capacity of the Roads Department in the operation and maintenance of tunnels and contract management, ensuring the participation of women staff in technical training. An organizational diagnostic is being conducted under a previous ADB-assisted project to assess the technical and gender capacity of the Roads Department.^f</p>
<p>II. PARTICIPATION AND EMPOWERING THE POOR</p>
<p>1. Participatory approaches and project activities. Over 40 consultation events were held with project stakeholders, including local authorities and communities and civil society organizations. Technical road design issues and the environmental, social, and economic impacts of the project were discussed with stakeholders. Consultations and engagement with local communities and civil society organizations will</p>

<p>continue during project implementation through training on road safety awareness and business and tourism development.</p> <p>2. Civil society organizations. The following major civil society organizations were consulted: the Georgian Ecotourism Association, Caucasus Environmental Non-Governmental Organization Network, Society for Nature Conservation and the World Wildlife Fund. Other community-based groups were also consulted.</p> <p>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): <input checked="" type="checkbox"/> (H) Information gathering and sharing <input checked="" type="checkbox"/> (M) Consultation <input type="checkbox"/> (L) Collaboration <input type="checkbox"/> (L) Partnership</p> <p>4. Participation plan. <input checked="" type="checkbox"/> Yes. <input type="checkbox"/> No. A stakeholder engagement plan was prepared and will continue being implemented and updated throughout the project life.</p>	
<p>III. GENDER AND DEVELOPMENT</p> <p>Gender mainstreaming category: <i>Effective gender mainstreaming</i></p>	
<p>A. Key issues. Georgia ranks 99th in the World Economic Forum's Global Gender Gap Index.^g Women's labor force participation rate is 51% compared to 64% for men, and women earn 36% less than men.^h Men hold most senior positions in government and corporations. Women dominate in the social and service sectors. Overall, women are poorly represented in the transport sector at all levels. Public transportation is very limited in rural areas. Women in the project area are involved in various productive, informal activities, such as handicrafts, domestic agriculture, and livestock raising. Many engage in seasonal agricultural work. Women are also predominantly engage in household work, often without proper infrastructure and services. In consultations with the women in the Dusheti and Kazbegi districts, entrepreneurship has been cited as a desired livelihood option; however, they lack the entrepreneurial skills as well as the financial and material means to engage in business. The development of tourism-related activities is one of the targeted means of development in the area along the project road and would be pivotal to women's economic empowerment.</p> <p>B. Key actions. The project is expected to enhance connectivity while ensuring road safety, especially for women and children, through the incorporation of safety design features. The construction of the Khada Valley visitor center will provide livelihood and income opportunities, especially to the women in the villages in the Khada Valley; provide business training opportunities; and create employment for the local population. The project will also strengthen the capacity of the Roads Department for project and contract management. Women staff of the Roads Department will be offered the opportunity to participate in certified technical trainings on management of contracts, claims, and disputes resolution.</p> <p><input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>	
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>	
<p>A. Involuntary Resettlement FI</p> <p>1. Key impacts. The Roads Department has prepared two land acquisition and resettlement plans (LARPs) for the tunnel section (CP-01; also referred to as Lot 1) and the road section (CP-02; also referred to as Lot 2). The LARP for Lot 1 was disclosed on the ADB and Roads Department websites in April 2019 while the LARP for Lot 2 was disclosed in May 2019. The census carried out during project preparation identified approximately 158 households (616 people) that will be directly affected by land acquisition for the project. There will be about 108 severely affected households (441 people), which are either physically displaced (11 households) or lose 10% or more of productive assets. A total of 30 households have been classified vulnerable. All affected people will receive adequate compensation in accordance with the provisions included in the LARPs. An independent and sample-based valuation of land plots was carried out before LARP finalization and confirmed the adequacy of the land valuation. Additional due diligence will be conducted for the access roads and the visitor center, and LARP for Lot 2 will be updated as appropriate.</p> <p>2. Strategy to address the impacts. The two LARPs mitigate and address all the associated losses in accordance with ADB's Safeguard Policy Statement (SPS) 2009 and relevant national legislation. The LARPs also detail the consultations undertaken, the project-specific entitlement matrix, the grievance redress mechanism, and disclosure and consultation requirements.</p> <p>3. Plan or other actions. <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action</p>	<p>B. Safeguard Category: <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>B. Indigenous Peoples</p> <p>1. Key impacts. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p>

<p>There are no indigenous peoples, as defined in ADB's Safeguard Policy Statement (2009), in the project area.</p> <p>2. Strategy to address the impacts. Not applicable.</p> <p>3. Plan or other actions.</p> <table border="0"> <tr> <td><input type="checkbox"/> Indigenous peoples plan</td> <td><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td><input type="checkbox"/> Indigenous peoples planning framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environmental and social management system arrangement</td> <td><input type="checkbox"/> Indigenous peoples plan elements integrated in the project with a summary</td> </tr> <tr> <td><input type="checkbox"/> Social impact matrix</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> No action</td> <td></td> </tr> </table>	<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in the project with a summary	<input type="checkbox"/> Social impact matrix		<input checked="" type="checkbox"/> No action	
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V. ADDRESSING OTHER SOCIAL RISKS										
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's, region's, or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). The project is expected to provide job opportunities to the local population.</p> <p><input type="checkbox"/> (L) unemployment <input type="checkbox"/> (L) underemployment <input type="checkbox"/> (NA) retrenchment <input type="checkbox"/> (L) core labor standards</p> <p>2. Labor market impact. The project is expected to generate employment opportunities for skilled and unskilled workers for local communities during implementation. ADB Core Labor Standards will be fully adhered to and the implementation agency will ensure with the project management and contract supervision consultant (PMSCS) that all civil works contractors comply with the country's applicable labor laws, particularly child labor, for construction and maintenance works.</p>										
<p>B. Affordability Not applicable.</p>										
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> (M) Communicable diseases <input checked="" type="checkbox"/> (L) Human trafficking <input type="checkbox"/> (NA) Others (please specify) _____</p> <p>2. Risks to people in the project area: The contractors will be obliged to carry out necessary information dissemination activities to their workers and (if appropriate) residents on potential risks related to human trafficking and sexual-transmitted and/or communicable diseases and preventive measures to be taken against those risks during their assignment, which will be included in the civil works contracts. Such activities should be recorded and monitored by the PMSCS during implementation.</p>										
VI. MONITORING AND EVALUATION										
<p>1. Targets and indicators. The project monitoring reports will include sex-disaggregated information on indicators included the project's design and monitoring framework and gender action plan (GAP).</p> <p>2. Required human resources: Two social development specialists (one international and one national) will be engaged to monitor implementation of the GAP and LARPs, and ensure compliance with ADB's SPS 2009 and loan covenants.</p> <p>3. Information in the project administration manual (PAM). The PAM sets out all reporting and monitoring requirements for the executing and implementing agencies.</p> <p>4. Monitoring tools. Quarterly and annual progress reports, including project performance, covenants compliance, and gender and safeguards monitoring, will be prepared by the Roads Department, with support from the PMSCS.</p>										

^a Government of Georgia. 2014. *Socio-Economic Development Strategy of Georgia, "Georgia 2020"*. Tbilisi.

^b ADB. 2018. *Strategy 2030. Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila; ADB. 2014. *Country Partnership Strategy: Georgia, 2014–2018*. Manila.

^c United Nations Development Programme. 2018. *Human Development Index Ranking*. Georgia.

^d Government of Georgia, National Statistics Office. 2017. *Gender Statistics*. Tbilisi.

^e Government of Georgia, National Statistics Office. 2016. *Population Statistics, Relative Poverty*. Tbilisi.

^f ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to Georgia for the East–West Highway (Khevi–Ubisa Section) Improvement Project*. Manila.

^g World Economic Forum. 2018. *The Global Gender Gap Report*. Geneva.

^h Government of Georgia, National Statistics Office. 2018. *Women and Men in Georgia*. Tbilisi.