



Initial Poverty and Social Analysis

Project Number: 51132-002
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GEO: Sustainable Water Supply and Sanitation Sector Development Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 29 May 2020)

Currency unit	–	lari (GEL)
GEL1.00	=	\$0.31402
\$1.00	=	GEL3.18

ABBREVIATIONS

ADB	–	Asian Development Bank
GEL	–	lari
SDP	–	sector development program
TA	–	technical assistance
UWSCG	–	United Water Supply Company of Georgia
WSS	–	water supply and sanitation

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Georgia	Project Title:	Sustainable Water Supply and Sanitation Sector Development Program
Lending/Financing Modality:	Sector development program	Department/Division:	Central and West Asia Department/ Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposed sector development program (SDP) is in line with the government's Socio-Economic Development Strategy of Georgia (Georgia 2020).^a It is also in line with the Freedom, Rapid Development and Prosperity-Government Program 2016–2020,^b the four-point reform action plan of the Government of Georgia, which aims to (i) accelerate infrastructure projects through increased funding and proper spatial planning; (ii) strengthen the private sector by creating a safe and stable business environment; (iii) develop human capital to achieve a significant improvement in the skills mix; and (iv) implement public governance reform with a focus on improving service quality by supporting the private sector and the use of innovative technologies in business services. The spatial planning scheme, in particular, is centered on new infrastructure projects and will support the sustainable development of public infrastructure by improving transportation networks and water supply systems for better connectivity and accessibility, which will make Georgia a year-round tourist destination. The government intends to attract private sector participation and foreign investment by (i) developing infrastructure, (ii) improving the business environment, and (iii) supporting innovation and technology.

The SDP is also aligned with the Asian Development Bank (ADB) country partnership strategy, 2019–2023 for Georgia.^c The project is listed in the country operations business plan, 2020–2022^d and is consistent with ADB's Water Operational Plan 2011–2020^e and the Climate Change Operational Framework 2017–2030.^f The country partnership strategy primarily focuses on making cities more livable, addressing poverty and reducing inequality, and strengthening governance and institutional capacity. The proposed SDP will be aligned with the following impact: environmental and public health conditions in Georgia improved. The SDP outcome is that water supply and sanitation (WSS) service delivery and the financial sustainability of sector operations in Georgia has improved.

B. Poverty Targeting:

☒ General intervention ☐ Individual or household (TI-H) ☐ Geographic (TI-G) ☐ Non-income MDGs (TI-M1, M2, etc.) The SDP will not directly address poverty in the country. It will indirectly contribute to better public health, quality of life, environmental and living conditions of the households and beneficiaries in the project area by rehabilitating and upgrading the Telavi water supply system and improving WSS operation and maintenance.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** Out of Georgia's population of 3.7 million, 0.8 million people (21.9%) are estimated to be poor and 0.3 million (8.5%) of these are classified as extremely poor. Nearly half the population lives in rural areas.^g Women account for a significant proportion of the poorest. Nearly 27% of people live in households headed by a woman, and female household heads are overrepresented among the poor and the bottom 40% of the income distribution.^h In 2016, 49% of the 1,763,000 economically active population worked in agriculture, forestry, or fishing (footnote g). Women account for about 75% of employees in the health care and social sectors, and for 60% of those working in the hospitality sector. Less than 10% of women work in construction while 23% are employed in transport and communications. About 80% of urban residents have access to piped water service. An estimated 70% of customers served by United Water Supply Company of Georgia (UWSCG) experience intermittent service. Only 32% of UWSCG service centers provide 24-hour coverage. Half of the urban residents lack sewerage connections and rely on on-site sanitation systems, including pit latrines and septic tanks. Inadequate wastewater treatment is threatening public health and the environment. UWSCG directly supplies 57% of tap water in secondary cities and towns, 35% of households obtain water through a tap from another source or water tanker, and the rest have no supply at home. Among those with access to piped water, about 28% have supply for only 3–4 days per week and mostly for only 2–4 hours per day.

2. **Impact channels and expected systemic changes.** The SDP will identify issues to be addressed in the water sector and focus on some of the key areas for improvement. It will support the development of the government's long-term approach to WSS aimed at improving people's living and health conditions. Better access to WSS gives women more time for income-generating activities. Households are generally willing to pay more for better WSS services; the low-current fixed residential tariff stands at GEL0.48/m³ for metered household customers and at GEL2.16 per capita per month for unmetered household customers. The project will strengthen gender aspects and women's participation in hygiene and sanitation awareness raising to lower intestinal infections and medical bills, while the government policy addresses women's access to water. The financial benefits of the enhanced operational efficiency of UWSCG, including energy savings, will ultimately accrue to households.

3. **Focus of (and resources allocated in) transaction technical assistance or due diligence.** The SDP will focus on increasing communication, participation, and capacity development of beneficiaries and key stakeholders in the project area, and on their key constraints and challenges.

4. **Specific analysis for policy-based lending.** Not applicable.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this program? – Of the urban residents, 18% have no access to piped water supply and 50% have no access to a reticulated sewerage system. Almost half of households with access to piped water supply only receive water. The problem gets more acute outside of the urban centers of Georgia. Women are most likely to be worst affected by the unavailability or poor quality of the WSS system since they are managing and distributing water within the households. Women and their families also need to be informed on effective water use, hygiene, sanitation, and customer rights. Women's employment in the water sector is low. Although UWSCG is managed by a woman, out of the 2,734 employees, only 23% are women (2018); women's presence in managerial positions is low and almost no women are employed in technical positions. Therefore, greater involvement of women in operation and maintenance, training, and monitoring and evaluation is crucial to institutional strengthening and women's advancement in the sector.

2. Does the proposed program have the potential to contribute 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

3. Could the proposed program 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 SDP beneficiaries include the government, nongovernment organizations, community-based organizations, and women and other relevant communities. Details will be elaborated during SDP preparation.

2. How can the program contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the program design require the participation of the poor and excluded? – Improved consultation and feedback mechanisms will be considered, including through consultations with civil society, and these will be incorporated during SDP preparation.

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 civil society organizations/nongovernment organizations will be identified in the consultations on program design.

☒ (H) Information generation and sharing ☒ (M) Consultation ☐ Collaboration ☐ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? ☒ Yes ☐ No – The SDP design will consider issues of affordability and use participatory approaches when engaging with the poor, vulnerable, and excluded segments of society.

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

2. What action plan is required to address involuntary resettlement as part of the transaction technical assistance (TA) or due diligence process?

☐ Resettlement plan ☒ Resettlement framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☐ None

B. Indigenous Peoples Category ☐ A ☐ B ☒ C ☐ FI

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

<p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None </p>
<p>V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design? None</p> <p> <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____ </p> <p>2. How are these additional social issues and risks going to be addressed in the project design? – Not applicable.</p>
<p>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence 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?</p> <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>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 transaction TA or due diligence? A gender and social development specialist was engaged during SDP preparation.</p>

^a Government of Georgia. 2014. *Socio-economic Development Strategy of Georgia (Georgia 2020)*. Tbilisi.
^b Government of Georgia. 2016. *Freedom, Rapid Development, Prosperity-Government Program 2016-2020*. Tbilisi.
^c ADB. 2019. *Country Partnership Strategy: Georgia, 2019–2023*. Manila.
^d ADB. 2019. *Country Operations Business Plan: Georgia, 2020–2022*. Manila.
^e ADB. 2011. *Water Operational Plan 2011–2020*. Manila.
^f ADB. 2017. *Climate Change Operational Framework 2017–2030. Enhanced Actions for Low Greenhouse Gas Emissions and Climate-Resilient Development*. Manila.
^g ADB. [2017. Key Indicators for Asia and the Pacific 2017](#). Manila. In 2016, 43% of the population lived in rural areas.
^h World Bank. 2016. [Georgia Country Gender Assessment, Poverty and Equity Global Practice](#). Washington, D.C.
Source: Asian Development Bank.