

The CEE Bankwatch Networks Mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation

TBILISI PUBLIC TRANSPORT PROJECT

Background

The Tbilisi Transport system has become largely unsustainable since the collapse of the Soviet Union. Transport problems in a city of 1.5 million people existed even before, as the number of buses and electric transport facilities was not sufficient in Soviet times. The increased use of small minibuses that have replaced buses and trolley buses has had a negative impact on the air quality of Tbilisi.

In 2005 the Tbilisi municipality implemented a project to reform the public transport management system and for that purpose purchased around 500 buses partially financed by the EBRD via a EUR 3.1 million credit. Together with the aim to finance municipal buses, spare parts and workshop equipment, the project was intended to create a modern regulatory framework for public transport schemes' development in Tbilisi and to support the commercialisation of a municipal bus company.

Environmental concerns

Air pollution in Tbilisi is a highly sensitive issue as it has a drastic impact on people's health. Despite the sharp decline in transportation and industrial activities in recent years, Tbilisi continues to show signs of environmental stress – poor air quality, excessive noise, traffic congestion, loss of green areas and so on, mainly deriving from mobile sources due to low quality fuel and a defective car fleet.

It should be underlined that the newly purchased secondary buses complied with EURO I environmental standards, not EURO II as is required by the EBRD's environmental policy. The EBRD makes that exception as the "existing diesel fuel in the country does not comply with euro standards thus buses were bought that would cause less harm using the existing fuel". However, despite a number of assurances from the EBRD that catalytic converters¹ would be installed in the buses to reduce emissions, up to now the yellow buses can be seen moving with black smoke being emitted. At the same time, there is no equipment in the company that can measure the pollution level of each bus.

In addition, there are many cases where technicians do not understand what is wrong with a bus or they did not have suitable equipment and/or a spare part for repairing the purchased new "old" buses, increasing the threat to safety during the service provision as well as reducing the amount of the buses serving the routes. Indeed in one incident a large yellow bus was, for technical reasons, fully burnt out during a voyage in the central avenue of Tbilisi. Together with the fact that the quantity of buses is not sufficient and the planned routes do not provide easy and quick passage around the city, in conjunction with the Tbilisi authorities' decision to abolish the city's tram and trolley fleet, the results are overcrowded buses and an increased number of cars on the city's roads at almost any time of the day.

To somehow satisfy transport needs, the authorities have permitted access for minibuses not on Tbilisi's central streets but on parallel uphill narrow streets. As a result, in the central part of the city the air pollution has risen further coupled with the negative impacts of excessive traffic on the old buildings in the historical part of the city.

In spite of the pledge to reform the regulatory framework for public transport in Tbilisi, the only activities undertaken largely promote the use of buses and the switch from electrical to fuel based transport.

Project economics

The project's economical viability and sustainability is questionable. While the city budget covers more than 50 percent of the company's expenses, including covering the EBRD loan, the losses of the company are increasing. Taking into account the problems related to the management and transparency

¹ At a workshop on Sustainable Urban Transport and Land Use Planning, held in Tbilisi on 18-20 October, 2006, a representative of the EBRD commented that the EBRD made an exception towards the project with the hope that converters would be installed in the buses that could reduce emissions

of the company, accompanied with the blocking of the implementation of any type of ticketing system, this should not come as any surprise. However, despite the fact that there is no real estimation of the number of passengers, transparency in terms of real and fixed revenues and expenses related to the company's further development, the doubling of travel fees – to start from July 2007 – has been adopted by Tbilisi municipality. However, the arguments in terms of pricing have never been presented by the company.

The problems related to the project's transparency have resulted in a number of scandals regarding the violation of procurement procedures; public participation in key decisions concerning transport regulatory framework development has been prevented. In spite of a number of requests to arrange public participation to discuss environmental management plans and Tbilisi city transport, the management plan has never been discussed with all major stakeholders. Moreover, these plans have never been published by Tbilisi municipality.

Social impacts

Despite the fact that the project does not even envisage increased costs for travel, and subsequently no social assessment has been held, the project will have negative impacts on poor people living in Tbilisi.

One of the major problems related to the increased tariffs on travel fees is that Tbilisi municipality is not ready to develop mitigation measures for vulnerable people. While the authorities assure that the poorest section of the population will pay only one quarter of the travel fee, the amount of people living under the poverty line is higher than has been identified by the municipality authorities. The sixty thousand identified excludes Internally Displaced People, veterans and pensioners that represent a very vulnerable part of the population. In addition, given the existence of not properly planned travel routes, these people often need to change a number of transport modes to reach their final destinations. The discount cards system that is to be established from July 2007 – and where each journey will be counted – will be an ineffective system because of the complicated movement of public transport.

Demands

To put the EBRD project on to a sustainable track, it will be necessary to:

- Make transparent all the relevant documentation related to the Tbilisi Public transport project (environmental management plan, transport management plan, financial calculations, social mitigations plan) for wider public discussion.
- Organise a public consultation to look at optimal travel fees, a ticketing system, environmental problems related to the existing public transport scheme.
- Undertake a social assessment to identify mitigation measures for poor people.
- Develop and publicly discuss the Tbilisi City Sustainable Transport Management Plan, and design the stages for its implementation.

For more information:

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