



Project Summary Information

Date of Document Update: December 16, 2024	
Project Name	Tbilisi Metro Modernization Project
Project Number	P000889
AIIB member	Georgia
Sector/Subsector	Transport/Urban transport
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Approved
Objective	To enhance the efficiency, reliability, safety and sustainability of the Tbilisi Metro system through the procurement of new rolling stock.
Project Description	<p>The Project encompasses the procurement of 97 electric metro cars (comprising 13 units of 4-car and 9 units of 5-car metro trains). This initiative aims to replace the existing metro cars scheduled for decommissioning between 2025 and 2030 due to safety reasons and operational life span limitations.</p> <p>In addition to purchasing modern rolling stock, the Project will strengthen institutional capacity with targeted training programs and a cybersecurity assessment. In line with the broader future metro modernization plan, which includes rehabilitation of two depots and a tunnel, the Project will finance the engagement of consultants to conduct feasibility studies and develop preliminary designs.</p>
Expected Results	The Project Objective Indicators will include (i) metro daily ridership, (ii) levels of vibration, (iii) levels of noise, (iv) number of metro cars' corrective repairs, (v) energy consumption, and (vi) GHG emissions reduction.
Environmental and Social Category	Category B
Environmental and Social Information	<p>Applicable Policy and Categorization. The Bank's Environmental and Social Policy (ESP) including the Environmental and Social Standards (ESSs), and the Environmental and Social Exclusion List (ESEL) will be applicable to this Project. As per the Bank's ESP, the Project has been categorized as Category B. ESS-1 Environmental and Social Assessment and Management is triggered for this Project. ESS-2 Involuntary Resettlement and ESS-3 Indigenous Peoples are not triggered as there is no land acquisition, no resettlement, no adverse impacts on livelihood and no indigenous peoples involved in this Project.</p>

Environmental and Social Instruments. An Environmental and Social Management Plan (ESMP) has been prepared by the client to address the environmental and social (ES) impacts associated with the Project. Additionally, a Stakeholder Engagement Plan (SEP) has been prepared to outline a program for stakeholder engagement, including public information disclosure and consultation throughout the procurement, operation and maintenance of the new metro rolling stock.

Environmental Aspects. The Project will not involve any civil works, and environmental impacts are only related to mobilization, operation, maintenance and decommissioning of the metro rolling stock. Transportation of metro cars from the suppliers to Tbilisi Transport Company LLC (TTC)'s facility will generate traffic and health and safety impacts during the transportation. The supplier will submit a Transportation Management Plan to TTC before the mobilization of rail cars. Other potential environmental impacts associated with the operation and maintenance of the new rolling stock include generation of waste (including hazardous waste), wastewater, chemical spills, fire safety risks, noise, vibration, and occupational health and safety hazards. The necessary management measures are outlined in the ESMP. The environmental impacts associated with the decommissioning of old metro cars include the generation of several types of waste, such as metallic, hazardous materials, non-hazardous solid, chemical, and electronic waste. The measures to manage the decommissioning phase impacts are included in the ESMP and it is likely that TTC will involve a licensed contractor to manage the decommissioning of old metro cars. TTC will prepare a specific Decommissioning Phase ESMP prior to the beginning of this phase, addressing waste management, health and safety and emergency preparedness and response. Detailed measures related to management and disposal of asbestos will be included in the Decommissioning Phase ESMP. This plan will be reviewed and approved by the Bank prior to its implementation.

Social and Gender Aspects. The Project will improve the mobility of men and women and will contribute towards additional employment generation in formal and informal sectors. The new metro trains will accommodate the needs of all passengers, including children, passengers with luggage, senior citizens, and persons with disabilities, including those with restricted mobility and using wheelchairs. The population of Tbilisi is 53 percent female, with many women heavily relying on public transport, including the metro. There is a risk of gender-based violence (GBV) and harassment for female passengers and female staff during operations. To address these concerns, TTC has implemented a robust policy on sexual harassment, covering both workplace and metro system incidents. The policy explains the complaint mechanism, procedure, the constitution of a committee to hear complaints related to sexual harassment, terms of hearing and monitoring and evaluation mechanism. Metro staff will receive training on GBV and harassment prevention during the implementation of ESMP. The Project Grievance Redress Mechanism (GRM) will handle gender-related complaints from both passengers and staff, ensuring responsive and effective management of such issues. Under the Project's capacity building and institutional strengthening component, TTC will offer specialized training, including for female staff, helping them enhance their skills and perform their duties more effectively. One indicator related to training of female staff is included in the Results Monitoring Framework.

	<p>Occupational Health and Safety (OHS), Labor and Working Conditions. OHS risks were assessed and the ESMP includes measures to mitigate potential health, safety, social and environmental hazards associated with the Project activities. An Emergency Preparedness and Response Plan (EPRP) has been developed as part of the ESMP to manage emergency risks. Regular exercises and drills shall be performed during the Project implementation to ensure adequate emergency response capabilities are always in place. Suppliers and contractors will be required to implement appropriate management measures aligned with the ESMP, including labor and working conditions and health and safety matters. Compliance with the ESMP is mandatory and will be reflected in all relevant agreements and contract documents with suppliers and contractors.</p> <p>Stakeholder Engagement, Consultation and Information Disclosure. Key stakeholders were identified and consulted during the preparation of the ESMP and SEP, with consultations following the relevant national legislation and AIIB's ESF. A SEP has been developed and will be executed during Project implementation. The ESMP and SEP in English, along with their executive summaries in Georgian language, are disclosed by the client and by AIIB on their respective websites. The disclosure link of client is https://ttc.com.ge/ka/reports.</p> <p>Project Grievance Redress Mechanism (GRM). Based on the TTC's existing GRM, a project-level GRM will be established to handle concerns from project-affected people (PAPs) and from project employees. The project-level GRM will also be responsive to the complaints related to GBV and harassment. The GRM will become operational after Project approval. TTC has also established a hotline, publicly displayed in metro cars and stations, for individuals to raise concerns about services. This hotline will also be used for the Project, ensuring timely responses to grievances. The Information of established GRMs including hotlines and AIIB's Project-affected People's Mechanism (PPM) will be timely disclosed in an appropriate manner. All grievances will be recorded and tracked throughout the Project's lifecycle.</p> <p>Monitoring and Supervision Arrangements. Within the Project Implementation Unit, the Deputy Head of TTC Environment and Safety Department will be the overall responsible for supervising the Project ES activities. TTC's current ES advisor will support the environmental team in implementing the ESMP and SEP. Additionally, the contract Supervision Consultant, including ES staff, will oversee the implementation activities. Both TTC and the Supervision Consultant's ES staff will monitor the ES issues throughout the life of the Project, including the ESMP implementation. TTC will submit semi-annual ES monitoring reports to AIIB based on agreed format, and the Bank will conduct onsite inspections during Project implementation.</p>
Cost and Financing Plan	<p>Total Project Cost: EUR210 million</p> <p>Project Financing Plan:</p> <ul style="list-style-type: none"> - AIIB: EUR125 million - Government of Georgia: EUR85 million
Borrower	Georgia

Implementing Entity	Tbilisi Transport Company LLC (TTC)		
Estimated date of loan closing	December 2031		
Contact Points:	AIIB	Borrower	Implementation Organization
Name	Natalia Sanz	Ekaterine Guntsadze	Giorgi Sharkov
Title	Senior Investment Officer	Deputy Minister of Finance	General Director, TTC
Email Address	natalia.sanz@aiib.org	E.Guntsadze@mof.ge	GSharkovi@metro.ge
Date of Appraisal Decision	September 20, 2024		
Date of Financing Approval	December 13, 2024		

Independent Accountability Mechanism	AIIB has established a Project-affected People's Mechanism (PPM) to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .
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