

# The EBRD's involvement in Tbilisi's public transport reform: unresolved issues and ways to move forward



Photo: Green Alternative

The European Bank for Reconstruction and Development (EBRD), as part of its Green Cities programme, is supporting Tbilisi City Hall's sustainable transport agenda with a EUR 230 million investment in four projects from 2016 to 2023. Through these initiatives, the Bank seeks to facilitate reforms by financing an overhaul of the city's bus and metro systems and a restructuring of its transport network. The aim is to encourage a modal shift from private vehicles to public transport, thus reducing the transport sector's environmental impacts and enhancing the quality of life for Tbilisi's residents.

However, these efforts have faced significant challenges, including a lack of concrete progress and constant delays in the procurement and implementation of individual projects under Tbilisi's Green City Action Plan (GCAP).<sup>1</sup> In addition, there have been persistent gender disparities in planning and policymaking, as well as prevalent sexual harassment of female passengers and discrimination against

<sup>1</sup> CEE Bankwatch Network, [Urban public transport reform in Tbilisi](#), CEE Bankwatch Network, 29 September 2022.

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LGBTI people on public transport. These issues have been further compounded by problematic projects, such as the construction of a controversial highway and overpasses as well as the purchase of diesel-fuelled buses that go against the GCAP objectives.<sup>2</sup> A general lack of transparency has also impeded any meaningful engagement with stakeholders. Additionally, the Bank and Tbilisi City Hall's ongoing support of a Russian supplier in the Tbilisi Metro Project raises questions about the integrity of the EBRD and city authorities.

## Shortcomings of EBRD-funded projects

The four projects funded by the EBRD – the Tbilisi Bus Project (2016), the Tbilisi Bus Extension (2019), the Tbilisi Metro Project (2020) and the Tbilisi Metro Modernisation (2023) – involve the purchase of new 'compressed natural gas'-fuelled buses, the modernisation of rolling stock, the renovation of bus and metro depots, the rehabilitation of a tunnel and the refurbishment of metro stations. In 2021, the EBRD also approved a loan for the Tbilisi Bus Phase III project, which was later called off by the Georgian government.

Alongside the EBRD, two other development institutions – the Asian Development Bank and Germany's KfW – have provided significant support to Tbilisi, including funding for the extension of the metro, the replacement of the metro's power distribution cabling and the development of an intelligent traffic management system.<sup>3</sup>

The success of these projects is contingent on wider public transport reforms, which Tbilisi City Hall pledged to implement as part of its EBRD-supported GCAP back in 2017.

Because of its role in monitoring the implementation of the GCAP as well as the extent of its financial involvement in the reforms process, the EBRD is ultimately responsible for ensuring the success of public transport reform in Tbilisi. At the same time, the absence of concrete progress and the reluctance of Tbilisi City Hall to involve the city's residents or even disclose information regarding the GCAP's implementation highlight the need for wider public participation and ownership of the reforms, as well as a more rigorous and transparent monitoring system.

## Persistent problems with Tbilisi's public transport system

Years into the reform, and despite hundreds of millions of euros spent by the EBRD and other donors, Tbilisi residents still struggle with the city's chaotic public transportation system, which limits their access to schools and workplaces. Notwithstanding some progress, the number of cars in Tbilisi has grown exponentially, increasing road congestion and exacerbating parking problems. Public transport remains overcrowded at peak times, public road transport services continue to be unreliable and easily accessible information on routes and timetables is limited. Meanwhile, the average interval between buses is 18 minutes – just like it was four years ago. Public transport accessibility for people with disabilities also remains elusive.

A 110-kilometre bus lane, a backbone of the restructured road network, has yet to be installed, with half the work still unfinished. Not only that, City Hall's long-promised fleet of 18-metre buses and a depot to house them – the main components of the now-cancelled Tbilisi Bus Phase III project – are nowhere in sight,

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

despite City Hall pledging to purchase them in 2023 with its own funds, supposedly to expedite the process.<sup>4</sup> It is highly unlikely the buses will debut on Tbilisi streets this year. The swing in public opinion against Tbilisi's new sustainable transport policy – 57 per cent disapprove, according to a March 2023 poll<sup>5</sup> – is a worrying sign of the public's waning faith in the reforms process, which has yet to unplug the city or deliver tangible improvements in the reliability, accessibility and efficiency of public transport.

## Unaddressed gender gaps in transport

Gendered mobility patterns in Tbilisi reveal that women rely on public transport, walk and use taxis more often than men. They are also more likely to make multiple transfers and use different modes of transport for different purposes. Despite this, transportation planning in Tbilisi has not adequately addressed the specific mobility needs of women and girls. A staggering 77 per cent of transit users make two transfers and an additional 19 per cent make three.<sup>6</sup> Against the backdrop of a consistently unpunctual bus service, this means that women also spend more time travelling and waiting for public transport. This lack of consideration, combined with the absence of public participation, has left women on the margins of the reforms process, which is critical for improving women's inclusion and empowerment through access to better work and education opportunities.

## Sexual harassment of women and discrimination against LGBTI people

Although the EBRD's efforts to promote gender equality in the transport sector through capacity-building programmes and inclusive procurement practices are commendable, they fall short of addressing the widespread sexual harassment and discrimination faced by women and LGBTI people in Tbilisi's public transport system. According to recent studies, every third woman using public transport reports having been sexually harassed,<sup>7</sup> and every other LGBTI person considers public transport a hostile environment.<sup>8</sup> More immediate and effective action, such as public awareness campaigns on public transport, hotlines for reporting incidents and an effective grievance mechanism, is needed to address these pressing issues and make public transport safe and accessible for all.

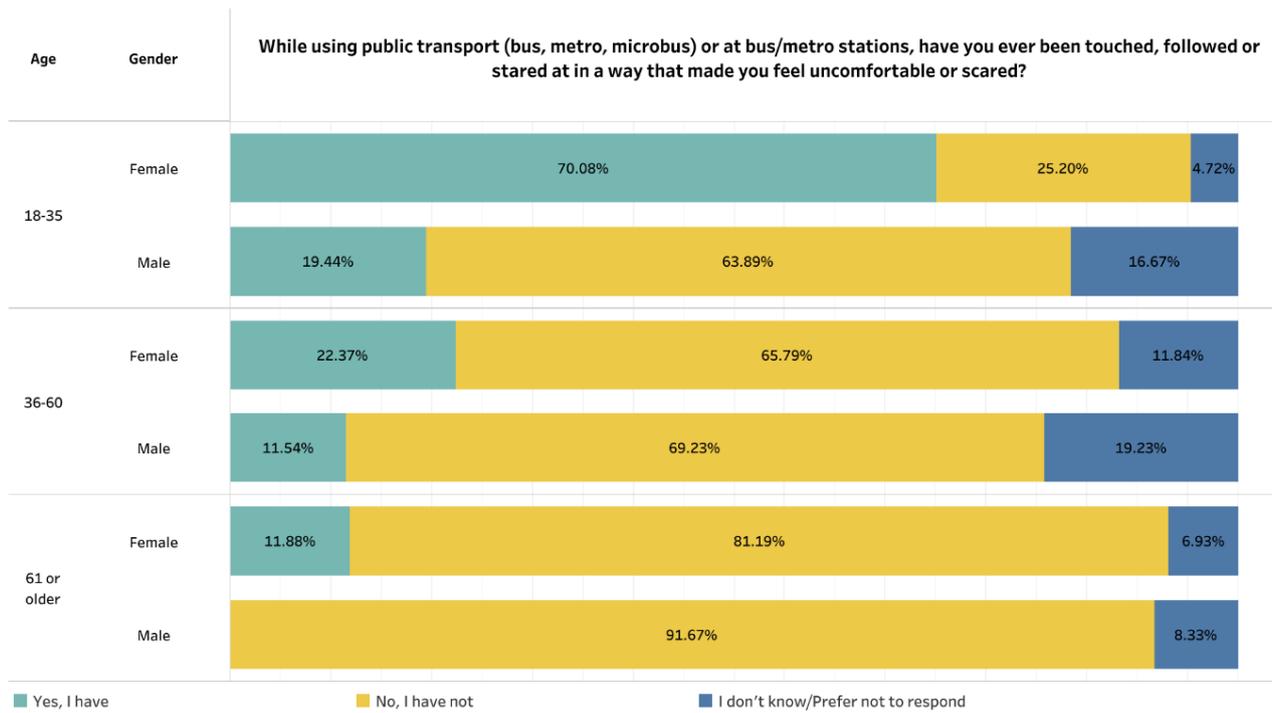
<sup>4</sup> Luka Pertaia, '[Tbilisi City Hall won't be building a depot for its 18-metre buses this year either: Why and what happens next?](#)', *Netgazeti*, 2 November 2022.

<sup>5</sup> International Republican Institute, '[National Public Opinion Survey of Residents of Georgia](#)', *International Republican Institute*, 35, 25 April 2023.

<sup>6</sup> Tbilisi Transport Company provided CEE Bankwatch Network with an unpublished one-page summary of a study conducted by French consultancy firm AETS, entitled 'Survey and Site Audit for an Inclusive Transport Strategy and a Respectful Workplace: Tbilisi Bus Phase II and Tbilisi Metro Project', *Tbilisi Transport Company*, accessed 27 March 2023.

<sup>7</sup> CEE Bankwatch Network, '[Urban public transport reform in Tbilisi](#)', 21-24.

<sup>8</sup> Human Rights Education and Monitoring Centre (EMC), '[Social Exclusion of LGBTQ Group in Georgia](#)', *Human Rights Education and Monitoring Centre (EMC)*, 2020.



Graph 1. Public transport users (according to gender and age) who say they have experienced sexual harassment.

## Stakeholder engagement hindered by transparency issues and limited access to information

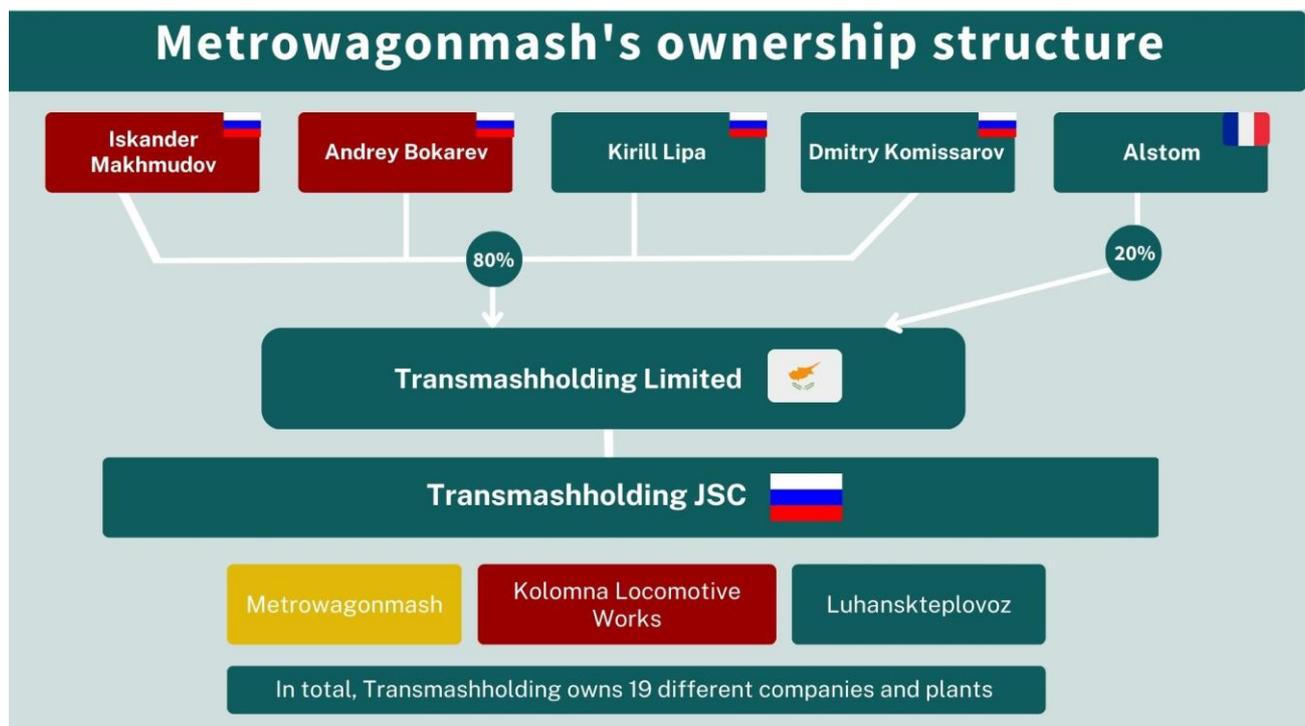
Despite the importance of proper stakeholder engagement in public transport reform, the EBRD-funded GCAP and Tbilisi projects have fallen short on public participation. The lack of active and streamlined communication with the public, including civil society, is particularly concerning. For instance, Tbilisi Transport Company, the beneficiary of the Bank’s loans, has failed to proactively publish vital information, such as project technical summaries and stakeholder engagement plans, which have only become available upon request. This lack of transparency is compounded by the fact that many studies carried out in connection with these projects and their technical cooperation programmes remain inaccessible to the broader public. Given the limited research available on public transport use and infrastructure in Tbilisi, it is imperative that studies on these issues are publicly available. This is especially important considering that City Hall has virtually refused to engage with the public on the reforms process. Although City Hall claims to be revolutionising the transport sector in Tbilisi, it has yet to produce a single brochure, poster or video that would raise the public’s awareness about sustainable urban mobility. The EBRD and the beneficiaries of its funding should therefore prioritise transparency and active engagement with service users and civil society in the public transport reforms process.

## Rolling stock upgrade: the EBRD's unexplained and continued backing of a Russian supplier

The EBRD is providing funding to Tbilisi City Hall to purchase metro cars for the capital's metro system from a Russian company, Metrowagonmash. The company is part of Transmashholding, whose shareholders – Russian oligarchs Iskander Makhmudov and Andrey Bokarev – are closely linked with the Kremlin and its defence industry.<sup>9</sup> Metrowagonmash's sister company – Kolomna Locomotive Works – is also reportedly providing engines for Russian warships.<sup>10</sup>

In March 2022, after Russia's invasion of Ukraine, the Bank suspended the financial transfer to the supplier and in November 2022 it was reported that the EBRD and Tbilisi City Hall were working to terminate the contract. Yet, in February 2023 it was announced that the project would continue with the existing Russian supplier.<sup>11</sup>

Despite multiple attempts to elicit a clear response from the Bank, the letters from the EBRD's Civil Society Engagement Unit on this issue were vague and devoid of any concrete explanation.



Graph 2. Ownership structure of Metrowagonmash

<sup>9</sup> Sergei Ezhov, 'Real Kremlin agents in Riga. How criminal Russian oligarchs with contracts from Defense Ministry do business in Latvia', *The Insider*, 8 December 2022.

<sup>10</sup> Ibid.

<sup>11</sup> Mariam Patsatsia, 'EBRD funds channeled to Kremlin affiliates: Why the purchase of Tbilisi metro cars from a Russian company should not proceed as planned', *CEE Bankwatch Network*, 13 March 2023.

## Conclusion

Given the EBRD's substantial financial investment in Tbilisi City Hall's public transport reforms, the Bank should assume a larger role in monitoring the GCAP and ensuring that the promises to improve transport services for the city's residents are kept. Furthermore, the findings of the monitoring process should be made publicly available to promote transparency and accountability.

## Recommendations

### Public transport reform:

- Help Tbilisi City Hall develop electric public transport and phase out fossil-fuel-based transport, especially considering recent global developments, such as Russia's invasion of Ukraine that further exposed vulnerabilities of fossil-fuel dependent sectors.
- Support the municipality of Tbilisi in developing incentives to reduce the private car fleet, including improvements in technical inspection legislation as well as stricter parking regulations and enforcement.
- Bring EBRD-financed projects in line with best international practices by: integrating data on sexual orientation and gender identity; developing a Tbilisi-specific gender risk assessment in line with gender-based violence and principles of sexual orientation, gender identity and expression (SOGIE); detailing an action plan for implementation; and ensuring it is carried out by respective project sponsors.
- Ensure the transparency of project documents and transport-related studies supported by the EBRD.

### Tbilisi Metro Project:

- Terminate the contract with Metrowagonmash and find an alternative supplier for the project.
- Assess the environmental, social and human rights risks posed by supply chain companies directly or indirectly involved in a war of aggression, as required by the EBRD's Environmental and Social Policy.
- Exclude companies directly or indirectly involved in a war of aggression from the EBRD's procurement processes. The Bank's procurement policy should reflect this approach and be amended accordingly.