

Dushanbe Public Transport

Location:

Tajikistan

Project number:

39989

Business sector:

Municipal and environmental infrastructure

Notice type:

Public

Environmental category:

B

Target board date:

20 Jul 2010

Status:

Repaying

PSD disclosed:

21 Apr 2009

Project Description

A project to

- (i) finance rehabilitation of up to 30 kilometres of trolleybus overhead electrical infrastructure and up to 3 power substations, and
- (ii) provide advice on the restructuring of the institutional and regulatory framework for public transport in Dushanbe.

Transition Impact

The Project's transition impact will result from the commercialization of the Company with the signing of a Public Service Contract (PSC) between the City and Company. Through a PSC the Project will prepare and implement a Business Plan focused on corporate development measures for the Company, whereby the City pays for services based on a price per kilometre covered. This will both:

- (i) increase the operational efficiency of resource allocation and use;
- (ii) contribute to improved City regulation and budgetary planning for support payments to the Company; and
- (iii) set in place objective, quantifiable performance monitoring by the City.

The Project will help the City to design an institutional and regulatory framework for the introduction of competitive route tendering for minibus services that should minimise extensive route overlap, replace the competition 'in routes' with competition 'for routes' and a gradual transformation in demand-appropriate vehicle size, emission standards, and service quality.

The Bank's Procurement Policies and Rules will apply to the purchase of goods, works and services.

The Client

The EBRD loan will be provided to the National Unitary Trolleybus Company (the "Company"), the trolleybus company serving the City of Dushanbe, and backed by a sovereign guarantee from the Republic of Tajikistan. The City of Dushanbe will sign a Municipal Support Agreement.

EBRD Finance

The proposal is for a sovereign guaranteed loan of up to USD 5.0 million to the National Unitary Trolleybus Company of the City of Dushanbe to finance the rehabilitation of up to 30 km of trolleybus electrical power distribution infrastructure and up to three power substations.

Project Cost

The total project cost is estimated as follows: USD 5.0 million loan from EBRD, a capital grant of USD 3.6 million from the EBRD Shareholder Special Fund and a USD 0.8 million Technical Cooperation grant.

Environmental Impact

The Project has been categorised B in accordance with the Bank's Environmental and Social Policy 2008. The environmental and social analysis of the proposed project and a corporate environmental, health and safety review of the Client's management systems, practices and capacities have identified and assessed the potential risks issues and impacts arising from the Company's past and current activities as well as from the project. The due diligence identified no material environmental, social or health and safety issues associated with the proposed rehabilitation of 30 kilometres of trolleybus power distribution infrastructure and three power substations. The improvement of the trolleybus traffic capacity and reliability by upgrading the trolleybus fleet and rehabilitation of the power distribution infrastructure could

substitute for corresponding minibus, bus or private car traffic volumes and contribute to reducing traffic-borne air pollution and GHG emissions in Dushanbe.

The Company's current Environmental, Health and Safety (“EHS”) management systems are functional, but not as efficient as modern western management systems. The Company staff responsible for the EHS issues was found experienced and responsive. However, the due diligence also revealed that working conditions and hazardous material and waste management at the depots are poor.

An Environmental and Social Action Plan (“ESAP”) has been developed to avoid or mitigate the identified issues related to the rehabilitation works in accordance with the EBRD Performance Requirements (“PRs”) as well as to improve the Company's capacity to manage environmental and social issues associated with its operations. The ESAP contains a host of actions for improving environmental and health and safety management, general housekeeping and occupational health and safety (OHS) conditions as well as stakeholder engagement. The implementation does not require significant capital expenditure, but a cultural change in management priorities, focus and skills. The difficulties for developing a proper EHS management system mainly relate to the poor material condition of the facilities and there is a good background for capacity building and restructuring the management system. The donor-funded Corporate Development Programme consultant will assist the Company in developing its organisational capacity to implement the ESAP and the Project in compliance with EBRD’s Performance Requirements.

Technical Cooperation

The technical co-operation assignments to support project preparation and institutional development will be as follows:

Due Diligence to include:

- (i) assessment of the main passenger flows, selection of the major trolleybus route and related infrastructure for the rehabilitation, calculation of the project EIRR and justification of the selected investments, adoption of the general technical specification in the line with EBRD PPR requirements, and evaluation of the regularity of the power supply in Dushanbe for trolleybus operations,
- (ii) audit of the Company,
- (iii) review of the Company’s operations and business plan,
- (iv) initial legal due diligence and preparation for the proposed Public Service Contract; and
- (v) environmental and social due diligence. USD 158,156 – co-financed by the ETC Multi Donor Fund and the EBRD Shareholder Special Fund.

Public Transport Regulation and Restructuring Advice Programme for the City, comprising:

- (i) preparation of the Transport Strategy document with the definition of the respective roles of trolleybuses, buses and minibuses,
- (ii) advice on the institutional framework of the Dushanbe public transport sector, including regulation of minibuses,
- (iii) establishment an on-going route-tendering regime that encourages competition while enabling the City to acquire acceptable safety and environmental standards,
- (iv) full preparation of the Public Service Contract and assistance with the monitoring of the quality of the Company services, and
- (v) advice on the new ticketing solution for overall public transport sector integration with preparation of a full implementation package. USD 407,120 – co-financed by the ETC Multi Donor Fund and the EBRD Shareholder Special Fund.

Engineering and Procurement Assistance to help the Company:

- (i) prepare tender documents and combine technical specifications for two design, supply and install contracts,
- (ii) carry out the procurement process for rehabilitation of selected trolleybus infrastructure and related traction power substations, and
- (iii) provide implementation supervision. USD 247,648120 – co-financed by the ETC Multi Donor Fund and the EBRD Shareholder Special Fund.

Business opportunities

For business opportunities or procurement, contact the client company.

For state-sector projects, visit [EBRD Procurement](#): Tel: +44 20 7338 6794
Email: procurement@ebrd.com

General enquiries

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168
Email: projectenquiries@ebrd.com

Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations. Please visit the Public Information Policy page below to find out how to request a Public Sector Board Report.

[Text of the PIP](#)

Project Complaint Mechanism (PCM)

The [Project Complaint Mechanism](#) (PCM) is the EBRD's accountability mechanism. It provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

Please visit the [Project Complaint Mechanism](#) page to find information about how to submit a complaint. The PCM Officer (pcm@ebrd.com) is available to answer any questions you may have regarding the submission of a complaint and criteria for registration and eligibility, in accordance with the [PCM Rules of Procedure](#).