



Georgia: Preparing the Railway Sector Reform Program

Project Name	Preparing the Railway Sector Reform Program		
Project Number	55192-002		
Country / Economy	Georgia		
Project Status	Approved		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 6912-GEO: Preparing the Railway Sector Reform Program		
	Technical Assistance Special Fund		US\$ 250,000.00
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Partnerships		
Sector / Subsector	Transport / Rail transport (non-urban)		
Gender Equity and Mainstreaming	Some gender elements		
Description	<p>The proposed Railway Sector Reform Program aims to establish the economic and financial sustainability of the railway sector in Georgia, with profitability and debt service coverage ratios reestablished at effective levels. The program will provide a policy-based loan to assist in the reform of the Georgian railway system to strengthen financial stability and investment planning capacity through the provision of more efficient, demand-driven railway transport services for both freight markets and passenger public service obligations.</p> <p>The Asian Development Bank (ADB) will provide a transaction technical assistance (TA) grant to the Government of Georgia and Georgian Railway to support capacity building and the design and implementation of railway reforms. This includes assistance in implementing the policy loan by supporting the Georgian Railway departments that oversee the reforms identified in the program's policy matrix.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>The transaction TA will help the government prepare and implement a sector reform program to improve Georgian Railway's operational and financial performance and to develop a sustainable railway sector in Georgia. The program will address the following root causes of the challenges identified: (i) the absence of sector overarching strategic or legal and regulatory frameworks; (ii) legacy indebtedness, and zero fiscal support for loss-making passenger services or the operation and maintenance cost of strategic assets; (iii) operational inefficiencies and a legacy surplus workforce; and (iv) lack of transport policies that provide equal treatment of rail and road freight. The program will be aligned with the following overarching country development objective: strengthen public finance management and increase economic growth. The outcome will be provision by Georgian Railway of financially sustainable and efficient railway transport services for both freight markets and passenger public service obligations.</p>		
Impact			
Project Outcome			
Description of Outcome			
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs			
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location		Nation-wide	
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			
Stakeholder Communication, Participation, and Consultation			
During Project Design			
During Project Implementation			
Business Opportunities			
Consulting Services	ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. The consulting services will comprise (i) five international consultants with railway expertise in business development, sector reforms, corporate finance railway planning and operations, and labor rationalization; and (ii) one national consultant to coordinate program implementation. These consultants will be selected through the individual consultant selection method, and output-based and/or lump-sum contracts are expected for all consultants, wherever appropriate.		

Procurement Procurement of goods will be in accordance with the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

Responsible ADB Officer	Sluijter, Jurgen
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Transport and Communications Division, CWRD
Executing Agencies	Ministry of Finance 16 Gorgasali St., 0114 Tbilisi Georgia

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	05 Apr 2022
Last Review Mission	-
Last PDS Update	06 Apr 2022

TA 6912-GEO

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
250,000.00	0.00	0.00	0.00	0.00	0.00	250,000.00	-	0.00

Project Page	https://www.adb.org/projects/55192-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55192-002
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