



TRANSPORT

UPPER MIDDLE INCOME *

CLIMATE-SMART

FRAGILE & CONFLICT

LEBANON

Greater Beirut Urban Transport

GIF FUNDING & LEVERAGE

GIF Project Definition Grant:

\$500,000

Estimated Project Support:

\$2.5–3.5 million

Potential Private Investment
Mobilized:

\$80–110 million

Traffic congestion is one of Beirut's most serious urban development problems. The Greater Beirut BRT Urban Transport Project aims to address this problem by implementing the first mass transit system in Lebanon and its supporting feeder network. A GIF grant is supporting the development of this project.

EXPECTED PROJECT OUTCOMES

- ◆ Provide an affordable and efficient transportation option for commuters to and within Beirut
- ◆ Reduce traffic congestion in the Greater Beirut area
- ◆ Reduce greenhouse gas emissions, and
- ◆ Lay the groundwork for an expanded BRT network in Beirut

TECHNICAL PARTNERS



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

* Based on World Bank Group classification by income

BACKGROUND

High population density, increased income levels, an upsurge in motorization, and the influx of Syrian refugees in recent years have all resulted in a rapid increase in traffic volumes in the Greater Beirut Area. Most users rely on private vehicles to meet their transportation needs as there is no mass transit or regular and reliable public transport services. As a result, private cars comprise over 80 percent of vehicles circulating in Greater Beirut, with buses, minibuses and taxis forming the remainder. The high costs and poor connectivity exacerbates inequitable growth between Beirut and hinterland regions, hindering access to employment and services for the poor and other vulnerable groups. A bus rapid transit (BRT) system is being considered as an option for addressing these challenges.

The Ministry of Public Works and Transport is responsible for public transport planning, licensing companies, and setting fares. The Railways and Public Transport Authority, a state-owned enterprise, is responsible for operating public transport services. The Ministry of Interior and Council of Development and Reconstruction also have responsibilities related to public transport services.

PROJECT FEATURES

The proposed BRT line will connect Beirut's northern suburbs to the city center. The line will run approximately 24 kilometers north of the city on lanes separated from general traffic to reduce travel times and offer a higher quality of service. The BRT line will continue in a loop around Beirut to connect commuters with the city center. Feeder lines will connect to the BRT; park and ride facilities are also planned.

In addition to operating and maintaining the BRT and feeders, it is expected that the private sector could finance (partially or fully) the purchase of the buses. The capital cost for the buses is approximately \$110 million.

Several government entities are involved in the preparation of the project, including the Council for Development and Reconstruction, Ministry of Public Works and Transport, and Railways and Public Transport Authority. The World Bank is supporting the government to implement a comprehensive national public transport program, including the BRT and feeder system. The World Bank is financing the infrastructure for the BRT system, as well as the regular bus network in Beirut.

This project represents the first phase in the government's Greater Beirut Urban Transport Plan. Following the implementation of the northern line, the government plans to undertake BRT lines to the south and east of the city.

WHY GIF

The GIF is provided a Project Definition Activity to support its Technical Partner, the World Bank's Transport Global Practice, to assess the various PPP options for the proposed BRT and feeder system. The GIF support includes:

- ◆ Undertaking a review of the regulatory and institutional context for the sector and status of existing operators
- ◆ Identifying PPP options for financing, operating and maintaining the BRT and feeder system
- ◆ Undertaking a detailed options appraisal
- ◆ Developing the financial model to assess the viability of attracting private finance
- ◆ Developing an outline PPP structure for the preferred option, and
- ◆ Conducting a high-level market sounding

Upon the request of the government of Lebanon, the GIF would provide full transaction advisory support until financial close.

The Global Infrastructure Facility, or GIF, is a partnership of governments, multilateral development banks and private sector financiers that facilitates private-sector investment in complex infrastructure projects in emerging economies. We serve as a platform through which governments collaborate with international financial institutions and private sector investors to design, structure and implement these complex projects.

The comprehensive project-preparation support provided by the GIF draws on the expertise of its advisory partners which includes commercial banks and institutional investors. The broad partnership ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.