Railway Development in Ethiopia

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Railway Development in Ethiopia

- Introduction
- National Railway Network of Ethiopia and African Connections
- Status of the Projects
- Project Financing
- Challenges and Opportunities
Introduction

- **Over 100 years old diesel railway (781 km):**
  - owned jointly with the Government of Djibouti
  - operated by CDE (Chemin de fur Djibouti Ethiopien)

- **Present Status – almost abandoned:**
  - due to its age - deterioration and malfunctioning

- **It was major Service Provider for:**
  - passenger and freight transport to the Eastern Ethiopia

- **Played a role in establishment and expansion of major economically active urban centers along its line**

- **Modern and reliable railway system is needed:**
  - to sustain the economic growth momentum of the country
  - by supporting the demand of freight and passenger mobility
Presentation on Horn of Africa Summit 2012 infrastructure and investment; 12 – 13 March 2012, Nairobi, Kenya
Introduction

- Major constraints in the transport services:
  - limited connectivity
  - Outdated railway network
  - high transport cost
  - poor quality of transport services
  - growing mobility needs of people
  - increasing transport demand due to economic growth
Introduction

- The Ministry of Transport of Federal Democratic Republic of Ethiopia was found to be prudent to develop Railway System in the country.

- A Technical Advisory Group (TAG) was formed to prepare a long-term plan and a framework for Railway Network in Ethiopia.

- Ethiopian Railways Corporation (ERC) was established in 2007 by Regulation No. 141/2007 to:
  - Develop railway infrastructure
  - Provide freight and passenger railway transport services and
  - Engage in other related activities necessary for the attainment of its purpose.
Justification

- Alternative means of transport
- Heavy haul with bare minimum cost
- Combining Road and rail system
- Saving in travel Time
- Employment generation
- Social and political cohesion
- Increased land value
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Addis Ababa Light Rail Transit (LRT)
In Phase I (2010 – 2015)
More than 2000 km NRN plus 34 km AA LRT
Status of the Projects

- The National Railway Network and Addis Ababa LRT surveyed (500 m band) with Airborne Laser Scanning Technology (3-D Object Mapping)

- Light Detection & Ranging (LiDAR) Technology used

- Huge volume of spatial data collected:
  - Aerial Photo
  - Ortho Photo
  - Digital Terrain Model
  - Digital Surface Model
  - Contour data
  - Other vector data (line map)
Status of the Projects

A) Route I: Addis Ababa-Djibouti Railway Project:

- Segmented into two sections (Addis Ababa – Mieso and Mieso– Dewelle)
- Contracted to two international contractors with EPC/Turnkey arrangement
- Bankable feasibility study and Environmental & Social impact assessment completed and approved
- The Contractors have been paid advance payment
- Mobilization is underway
- Temporary works are in advance level (access road, sleeper manufacturing plant, testing laboratory installation, concrete batch plan, stone crusher plant...etc)
- Civil works (earth work) have been started
B) Other National Railway Projects:

- Design for the civil work has been carried out by local consultants
  - Optimization of alignment, material study, hydrological and geological study, traffic study, structural design, Topographic survey ...etc)

- Bankable feasibility and environmental & social impact assessment studies completed and approved

- Construction contract negotiations are underway for:
  - Weldiya – Elidar
  - Awash – Weldya and
  - Weldya – Mekelle Railway Projects
Project Financing

Segregated into two portions:

• **Local Portion (From Government treasury)**
  - Earth work
  - Bridge and Culvert
  - Buildings...etc

• **Foreign Portion (mobilized by the EPC Contractor)**
  - Track work
  - Communication, signaling and information
  - Power supply and traction
  - Other operation equipment
Challenges

- Lack of skilled human power in the sector
- High Investment Costs
  - Planning costs: including the design cost
  - Construction costs: site preparation, infrastructure, supervision of work and contingencies
  - Land and property costs: compensation payments for land acquisition for the projects
  - Rolling stock
- Time bound delivery under budgetary constraints
- Commercially sustainable yet affordable service
Opportunities

- Strong political will and commitment from the government
- Growing freight and passenger volumes in all the corridors
- Projects are technically feasible and economically viable
- Rapid growth of the economy (can shoulder part of the financing of the projects)
- Regional connectivity - enhancing trade
- The positive response from development partners regarding the financing of the projects
- Green development strategy (environmentally friendly)
Thank you Very Much!