



Ethiopian Railways Corporation (ERC)

Railway Development in Ethiopia

**Yehualaeshet Jemere (MSc. CEng)
Addis Ababa-Djibouti Railway Project Manager**



**ETHIOPIAN RAILWAYS
CORPORATION (ERC)**

**Presentation on Horn of Africa Summit 2012 infrastructure
and investment; 12 – 13 March 2012, Nairobi, Kenya**

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 fer 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





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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 - **Outdated railway network**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**

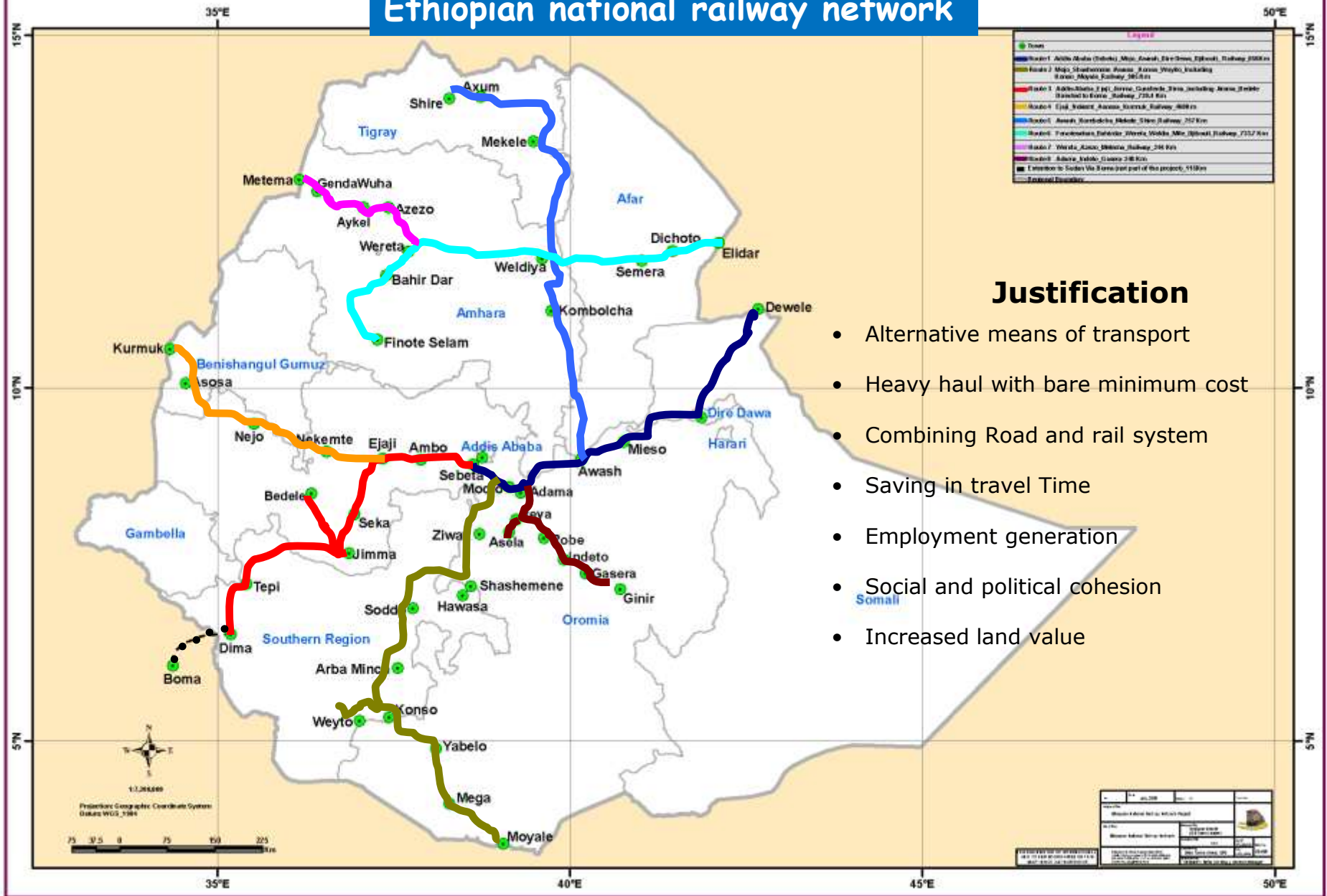


Introduction

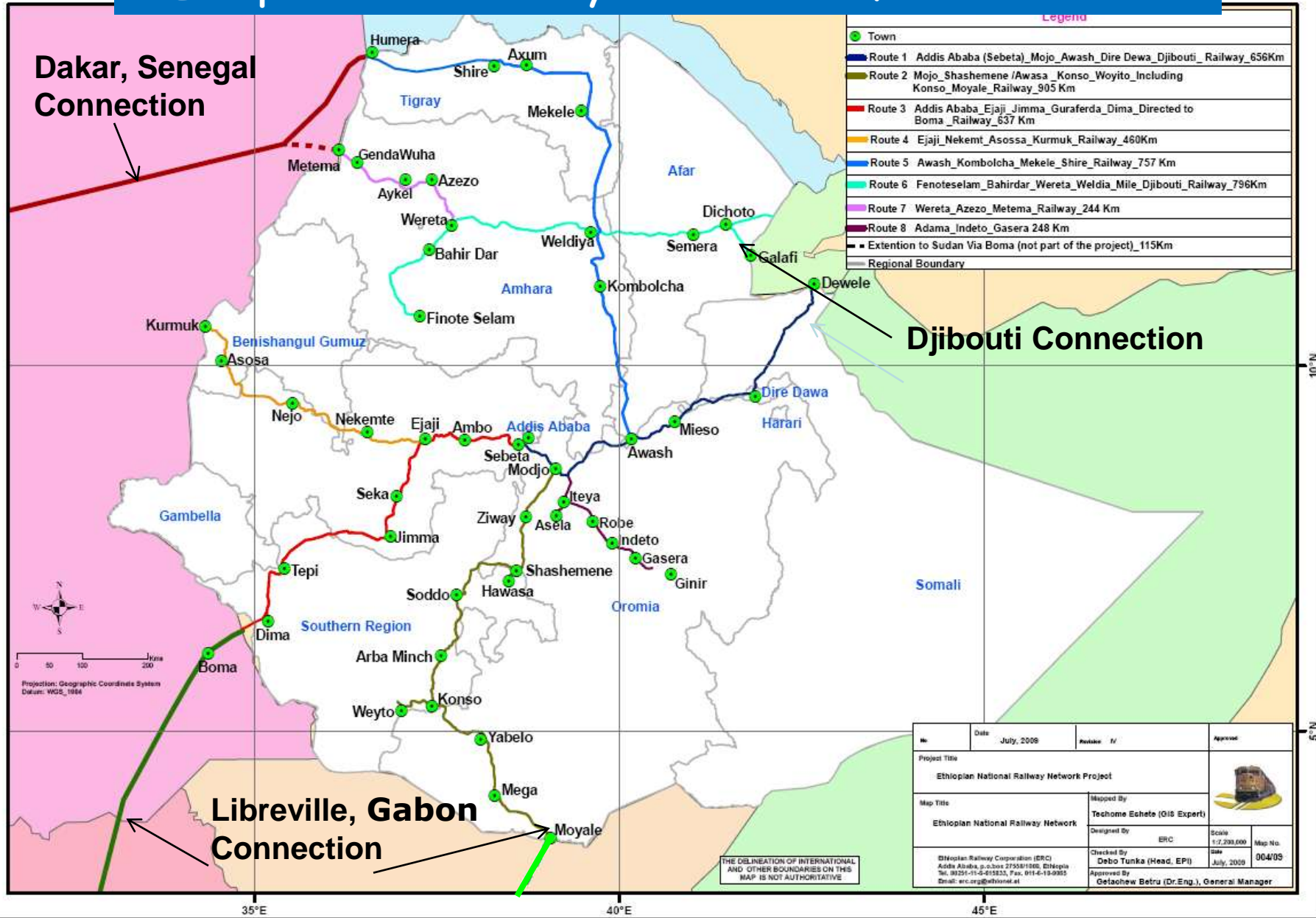
- ❖ **The Ministry of Transport of Federal Democratic Republic of Ethiopia** was found to be prudent to develop Railway System in the country
- ❖ **A Technical Advisory Group (TAG)** was formed to prepare a long-term plan and a framework for Railway Network in Ethiopia
- ❖ **Ethiopian Railways Corporation (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.

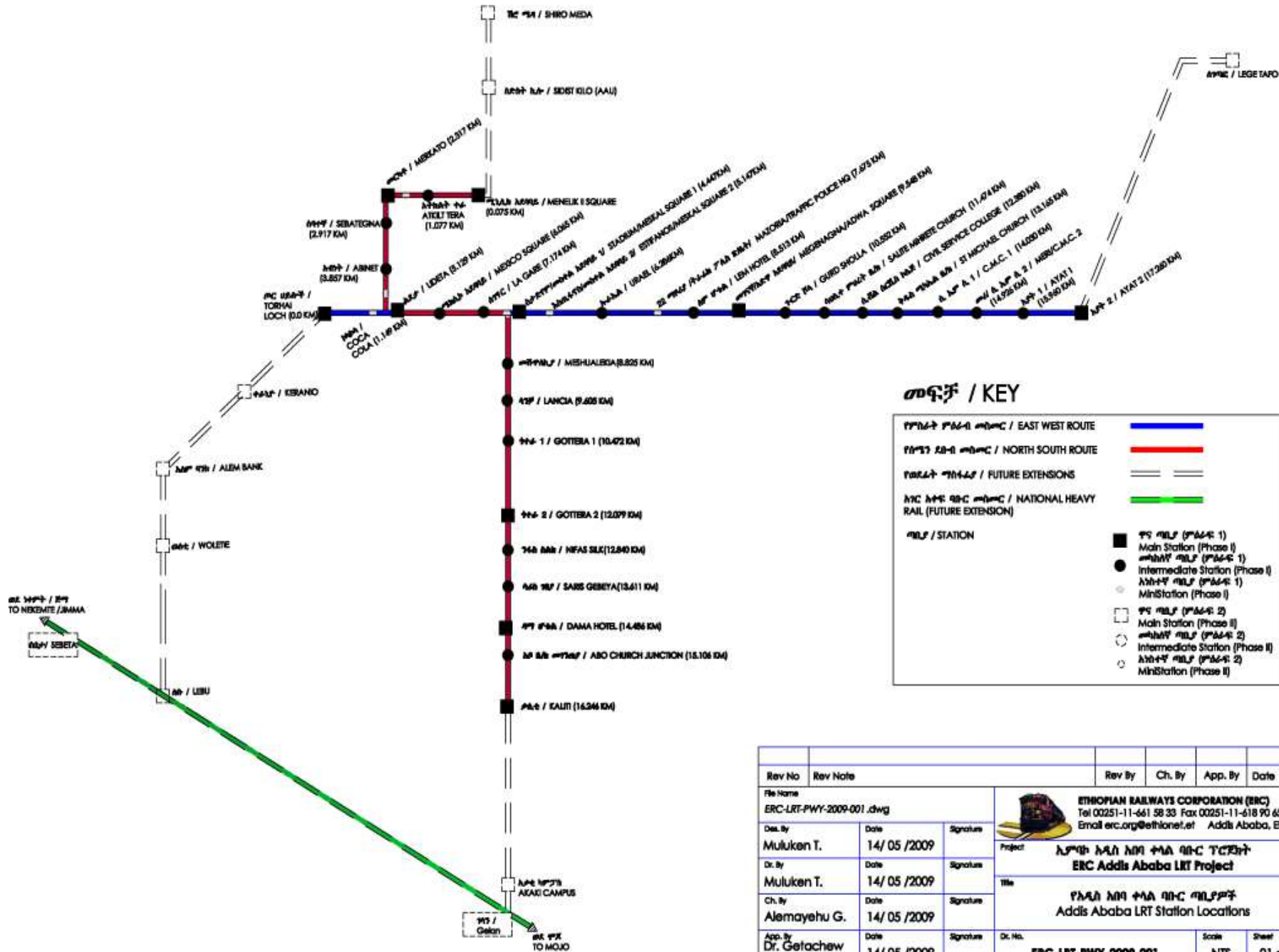


Ethiopian national railway network



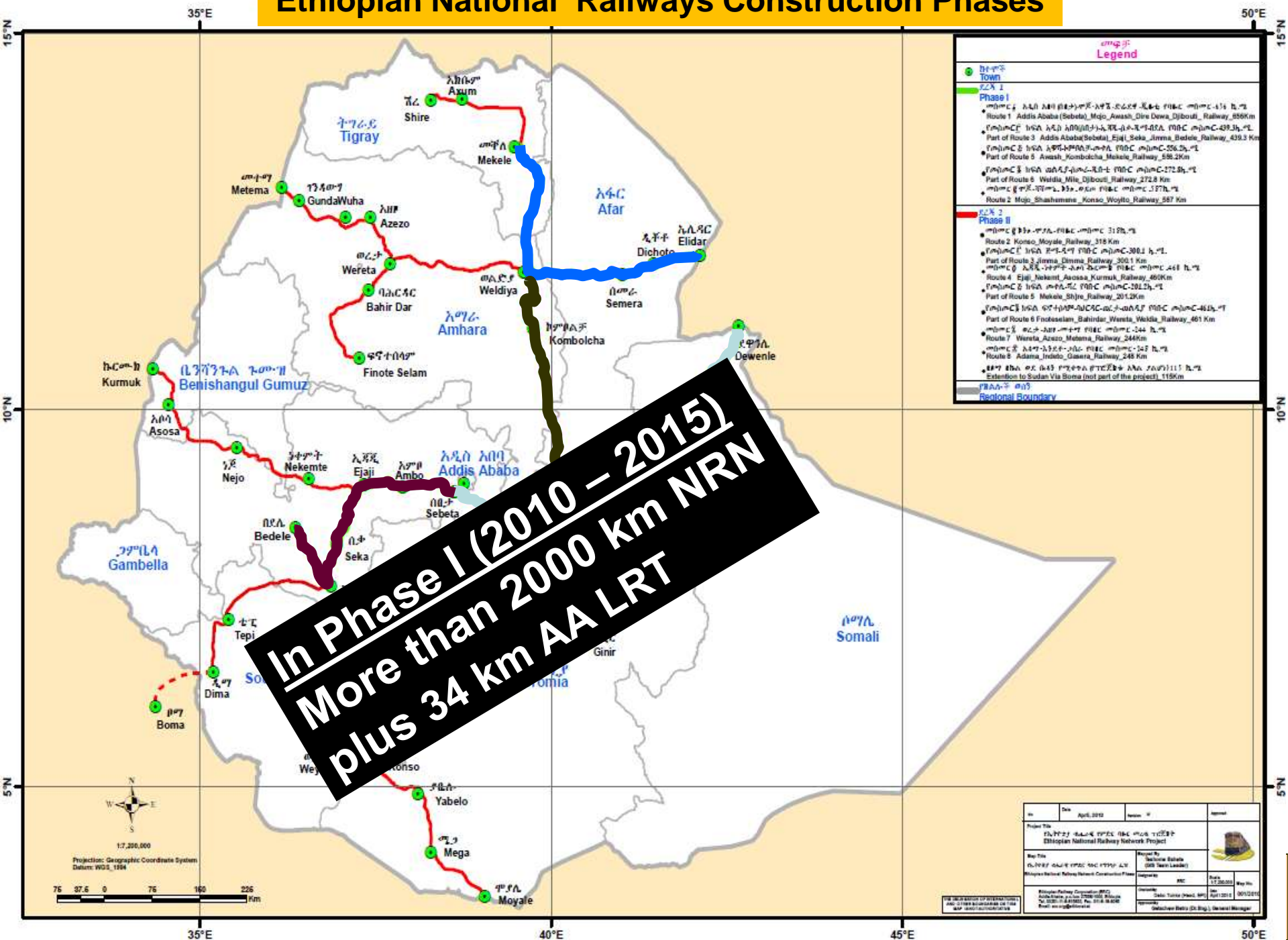
Ethiopian national railway network and African Connection





Rev No	Rev Note	Rev By	Ch. By	App. By	Date	Sign.
File Name ERC-LRT-PWY-2009-001.dwg						
Des. By Muluken T.		Date 14/ 05 /2009	Signature			
Dr. By Muluken T.		Date 14/ 05 /2009	Signature			
Ch. By Alemayehu G.		Date 14/ 05 /2009	Signature			
App. By Dr. Getachew Betu		Date 14/ 05 /2009	Signature			
ETHIOPIAN RAILWAYS CORPORATION (ERC) Tel 00251-11-661 58 33 Fax 00251-11-618 90 65 Email erc.org@ethionet.et Addis Ababa, Ethiopia						Project ሊዎን ካሊስ ስፔሻል ቆይታ ግድር ፕሮጀክት ERC Addis Ababa LRT Project
Title የአድር ስፔሻል ቆይታ ግድር ግድግዳ Addis Ababa LRT Station Locations						Dr. No. ERC-LRT-PWY-2009-001
					Scale NTS	Sheet 01 of 01

Ethiopian National Railways Construction Phases



**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 plant, stone crusher plant...etc)**
- **Civil works (earth work) have been started**



Status of the Projects

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 in to 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!



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