

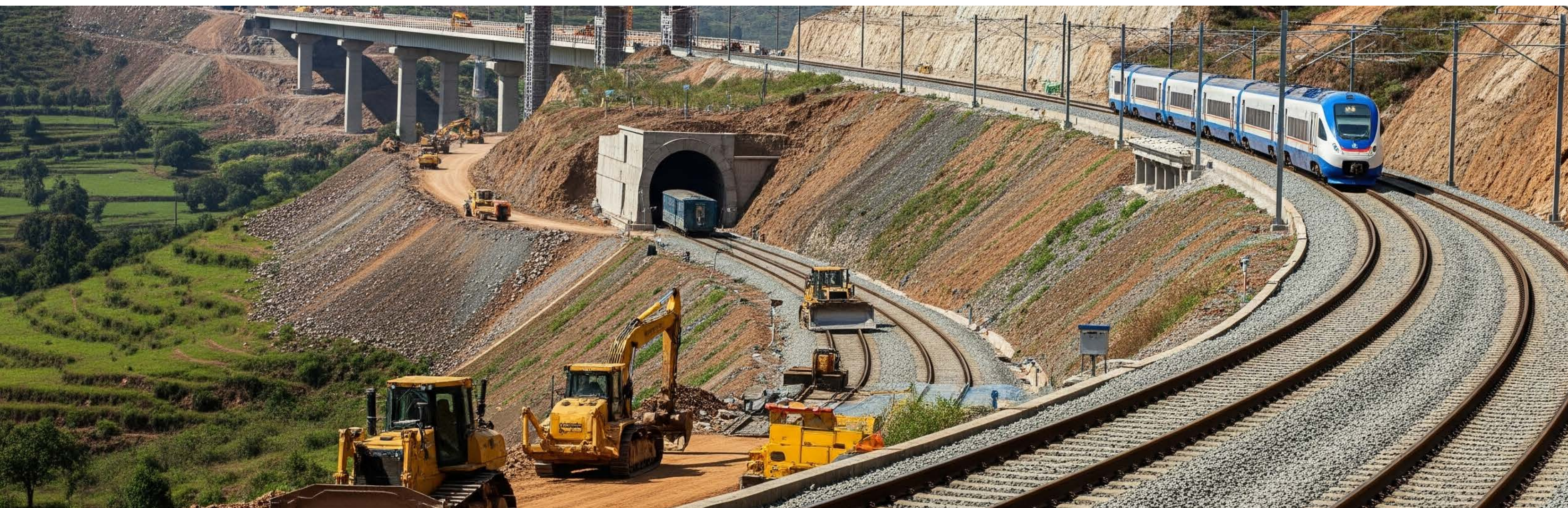
Revitalization of the Awash - Kombolcha - Hara Gebeya Railway

## Strategic Railway Development in Ethiopia



## Project Introduction

- **ERC and COIPA Capital** entered into a **Memorandum of Understanding** (“MOU”) on **27 November 2024** providing for cooperation and co-development of **several strategic projects** and industrial initiatives in **Ethiopia** and in **Central-Eastern Africa** in the railways, logistics, real-estate and general **construction/infrastructure industries**.
- Following the **MOU** the **revitalization and completion of the Awash–Kombolcha–Hara Gebeya railway** has been selected, among others, as a **flagship project**.



Conceptual image – indicative of design intent and for orientation purposes

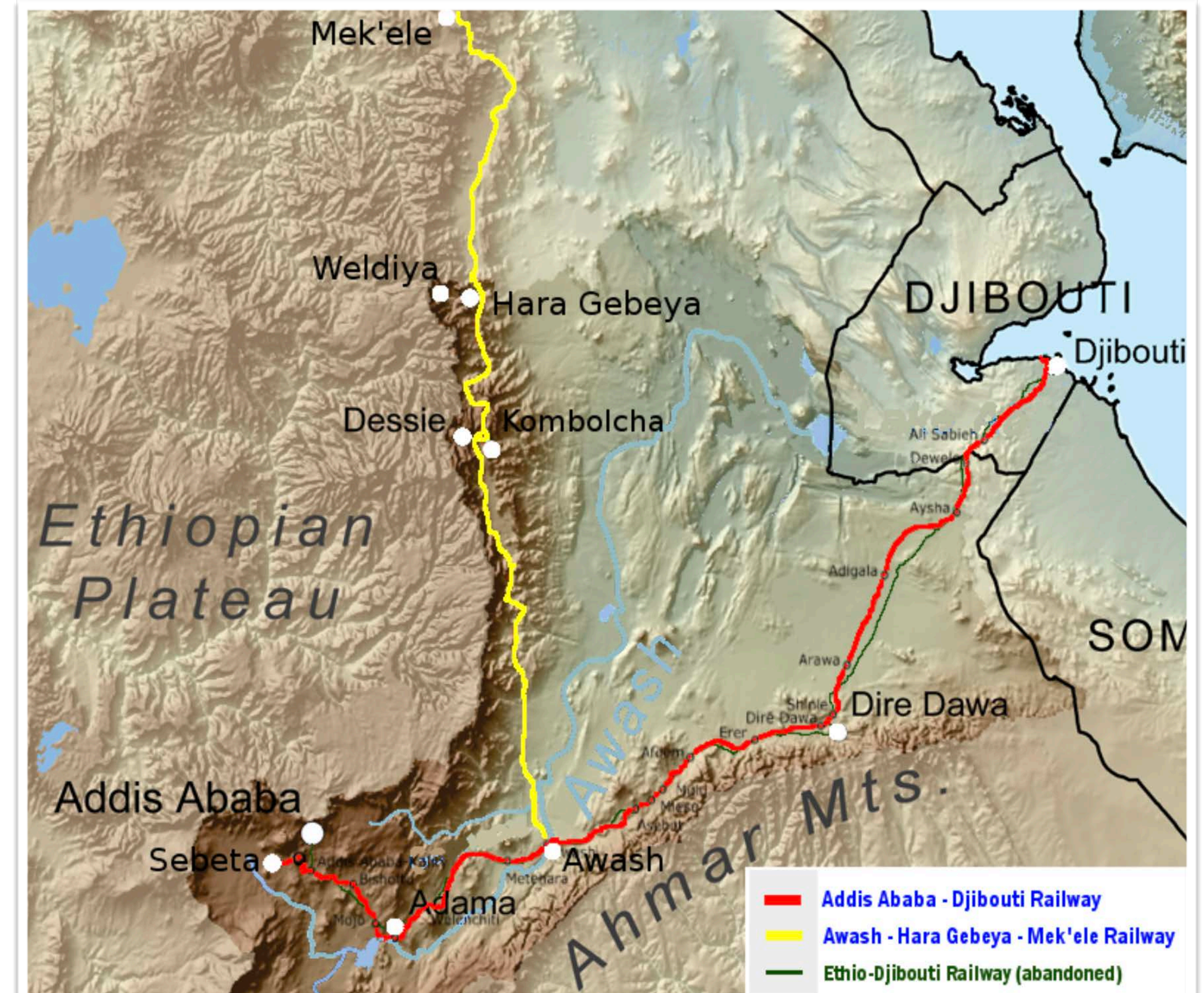


## Revitalization of the Awash – Kombolcha – Hara Gebeya Railway

- This critical infrastructure initiative will leverage **advanced engineering, project management**, and execution **capabilities to restart** and complete one of **Ethiopia's most strategic railway corridors**.
- The full project overview, **technical specifications**, and **financing details** are provided in the following slides.



[www.erc.gov.et/project/awash-woldia-hara-gebeya-railway-project/](http://www.erc.gov.et/project/awash-woldia-hara-gebeya-railway-project/)





# Project Overview

- The **Awash–Kombolcha–Hara Gebeya Railway** is a **391.7 km electrified**, air pollution-free railway line powered by **clean electricity**. It connects **northern Ethiopia** to the central region and is a **vital infrastructure** component for **national development**.





## Location

- The railway connects **Hara Gebeya** in the north to **Awash in central Ethiopia**, enhancing transportation and economic integration **across regions**.



Conceptual image – Indicative of design intent and for orientation purposes



# Economic Significance

- The railway links eastern and **northern economic corridors**, integrates with the **Addis Ababa–Djibouti Railway**, and enhances **logistics and regional growth**.



## Strategic Importance of the AKH Railway Line

- **Connects Northern Ethiopia** (Hara Gebeya) **with Central Ethiopia** (Awash)
- Enhances trade through **integration with the Addis Ababa–Djibouti** corridor
- Supports **national logistics and regional economic** development
- Designed for **120 km/h**, facilitating efficient movement **of goods and people**



Conceptual image – indicative of design intent and for orientation purposes



# Awash Kombolcha Haragebeya Standard Gauge Railway



The **AKH Standard Gauge** railway line has **10 stations**, **12 caves** that are 10 km long, **52** different-size bridges; **8** power control substations; **12** radio poles; one main workshop (maintenance center). This railway line will connect the **northern and central parts of Ethiopia**. It is designed to run at speeds up to **120 km** per hour.

The railway, internally dubbed **AKH Railway**, was to be constructed in two phases. The section from **Awash to Kombolcha, 270 km long**, represented the 1st section of the railway, while the remaining **122 km to Weldiya** represented the second section.

The railway was based in many aspects on the railway characteristics pre-defined by the **Addis Ababa–Djibouti Railway to keep the railways interoperable**.



# Weldiya / Haragebeya – Mekelle Standard Gauge Railway



Conceptual image – indicative of design intent and for orientation purposes

The **216 km long** single-track railway starts behind Weldiya at the junction with the **Awash–Weldiya Railway**.

Only three railway stations are major ones, one at **Meisha**, one at **Kobo** and one at **Mekelle**.

For the **first 40 km after Weldiya**, the railway runs through rugged terrain at the eastern escarpment of the Ethiopian Highland at an elevation between **1400** and **1830 meters**.

## Technical Overview of the Railway

- Total length: **391.7 km** (270 km Phase 1 + 122 km Phase 2)
- **Electrified standard** gauge railway
- **10** stations, **12** tunnels (10 km total), **52** bridges
- **8** power substations, **12** radio communication poles
- Maintenance workshop **included**



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# Project Background

- Construction began in **2015**.
- Interrupted by the **Tigray War in 2021**.
- **Infrastructure damaged** and equipment looted.
- Delays caused **job losses** and halted progress.



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- Railway Systems - **Design & Construction**

**il INROS LACKNER**



## Project Background and Interruption

- **Construction began in 2015**, with Turkish contractor Yapı Merkezi and French consultant SYSTRA
- Financing included **Credit Suisse** and **Türk Eximbank** (\$1.7B)
- Project halted due to **conflict in 2021** (Tigray War)
- **Infrastructure damage** and equipment looting reported



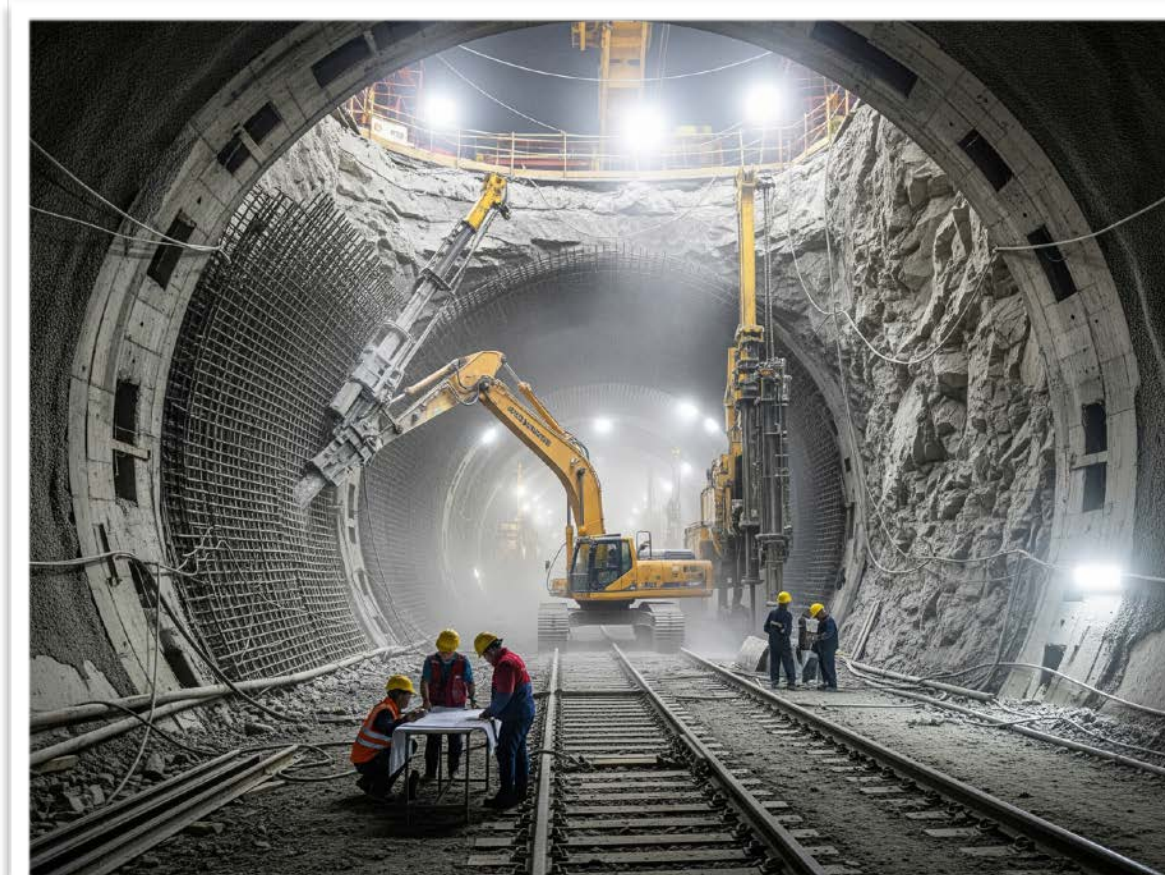
Conceptual image – indicative of design intent and for orientation purposes

# Project Revitalization

- **Ethiopian government** recommitted in **2025**.
- Project includes **12 tunnels, 52 bridges, 10 substations**.
- **Original cost: \$1.7B** financed by Credit Suisse, Türk Eximbank.
- **Yapı Merkezi**: main contractor; **SYSTRA**: consultant.
- The line includes **12 radio communication** poles supporting operational connectivity.



Conceptual image – indicative of design intent and for orientation purposes





# COIPA Capital & COIPA Italia Engagement

- MoU signed Nov 2024 with ERC.
- COIPA entrusted for railway infrastructure initiatives.
- COIPA Italia supports coordination from Italy (investors, ECAs, Mattei Plan).
- Contractor and supplier selection ongoing.

Piano Mattei  
per l'Africa



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# Subject Matter of the Project

- ERC to appoint new contractor.
- Previous EPC contract terminated.
- Completion/remediation contract to be **directly awarded by ERC.**



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## Revitalization Plan and Stakeholders

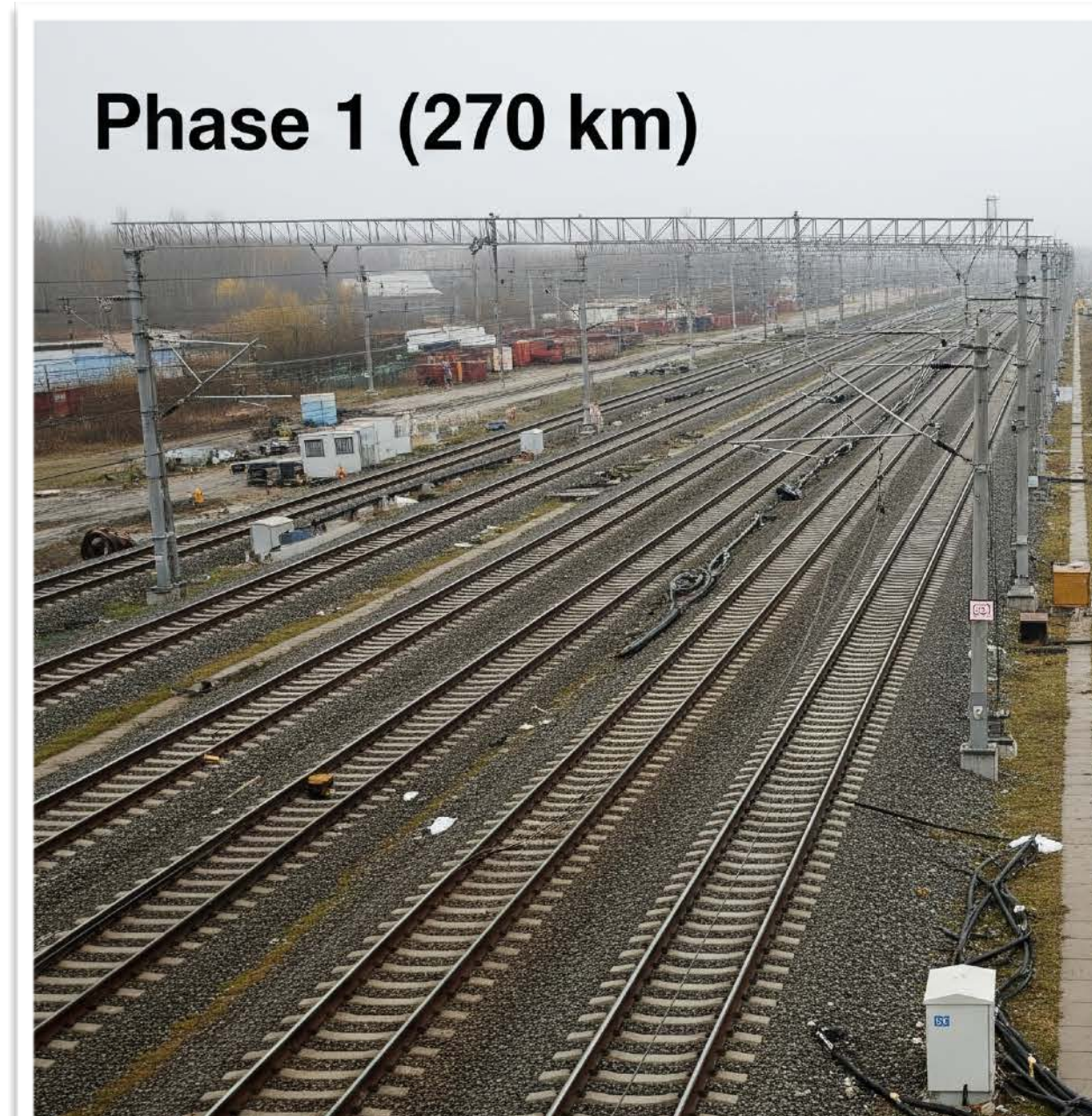
- **Ethiopian government** recommitted in 2025
- **ERC** and **COIPA Italia**, pursuant to **MOU**, have signed a **Strategic Cooperation** Agreement for the **rehabilitation** and **completion** of the **Awash-Hara Gebeya railway line**
- **COIPA** coordinates **Italian and European stakeholder** involvement
- **Contractor selection** and scope reassessment ongoing



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# Status Quo

- **Phase 1** (270 km): 99% complete; **Phase 2** (120 km): >60%.
- **Significant damage** to E&M works.
- **Tracks removed/damaged** in some areas.
- Maintenance facilities **non-operational**.
- **Crane damage** in freight yards.



Conceptual image – indicative of design intent and for orientation purposes

## Current Project Status

- **Phase 1 (270 km):** 99% structurally complete
- **Phase 2 (122 km):** Over 60% complete
- **Electrical and mechanical** components damaged
- Track removal in **some sections**
- **Crane damage and maintenance** center inoperative



Conceptual image – indicative of design intent and for orientation purposes

# Scope of Work to Resume

- **Electrical works:** power, signaling, comms.
- Mechanical works.
- Traction and electrification.
- Track repairs.
- Civil restoration.
- Final commissioning.



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Conceptual image – indicative of design intent and for orientation purposes



## Scope of Work to Resume

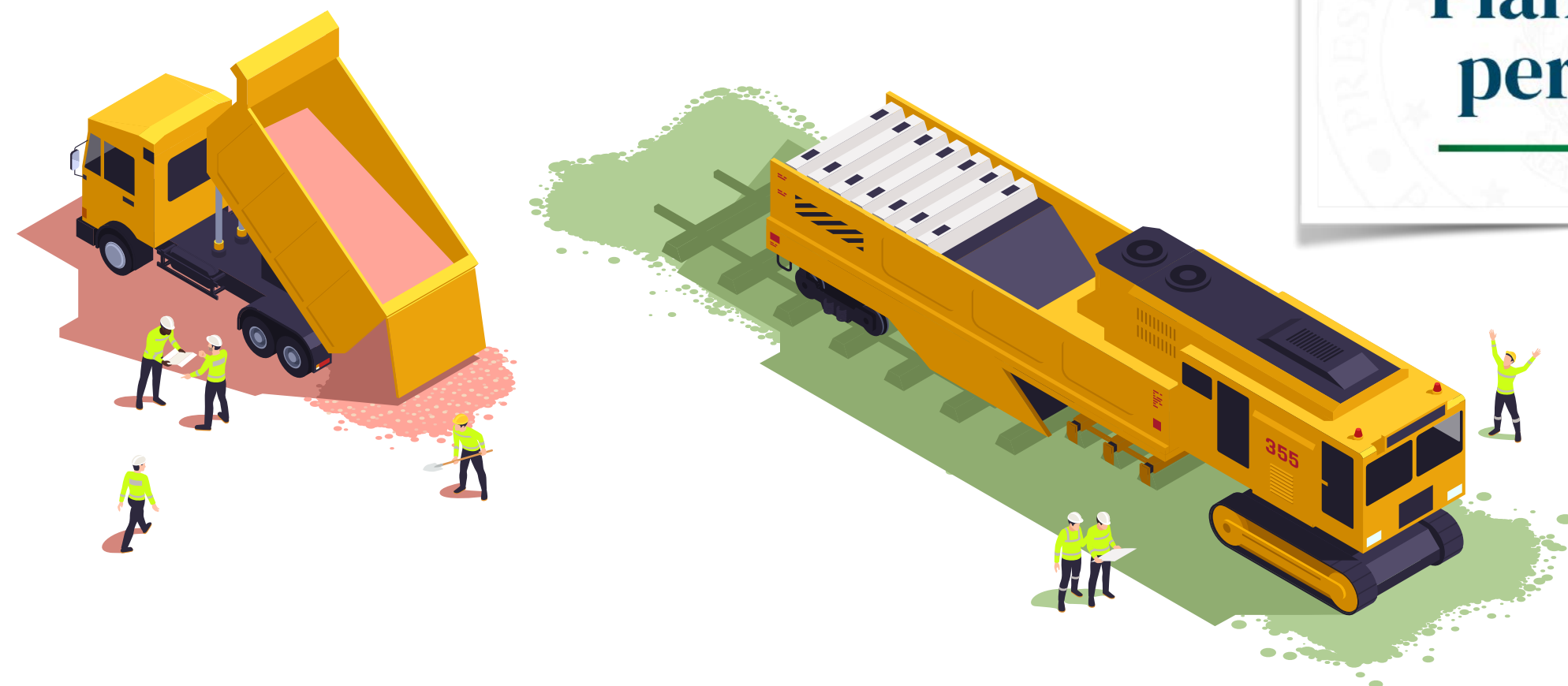
- **Electrical systems:** power, signaling, communication
- **Mechanical works:** rehabilitation and testing
- **Civil works:** repairs to bridges, tunnels, stations
- **Track works:** restoration and **safety checks**
- Final commissioning and **safety validation**



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- Review of **original designs** (done).
- Site visit **planning & sizing** of work.
- **Contract form & funding** structure definition.
- Engagement with **ECAs** and state guarantees.
- Promotion under « **Mattei Plan for Africa** ».

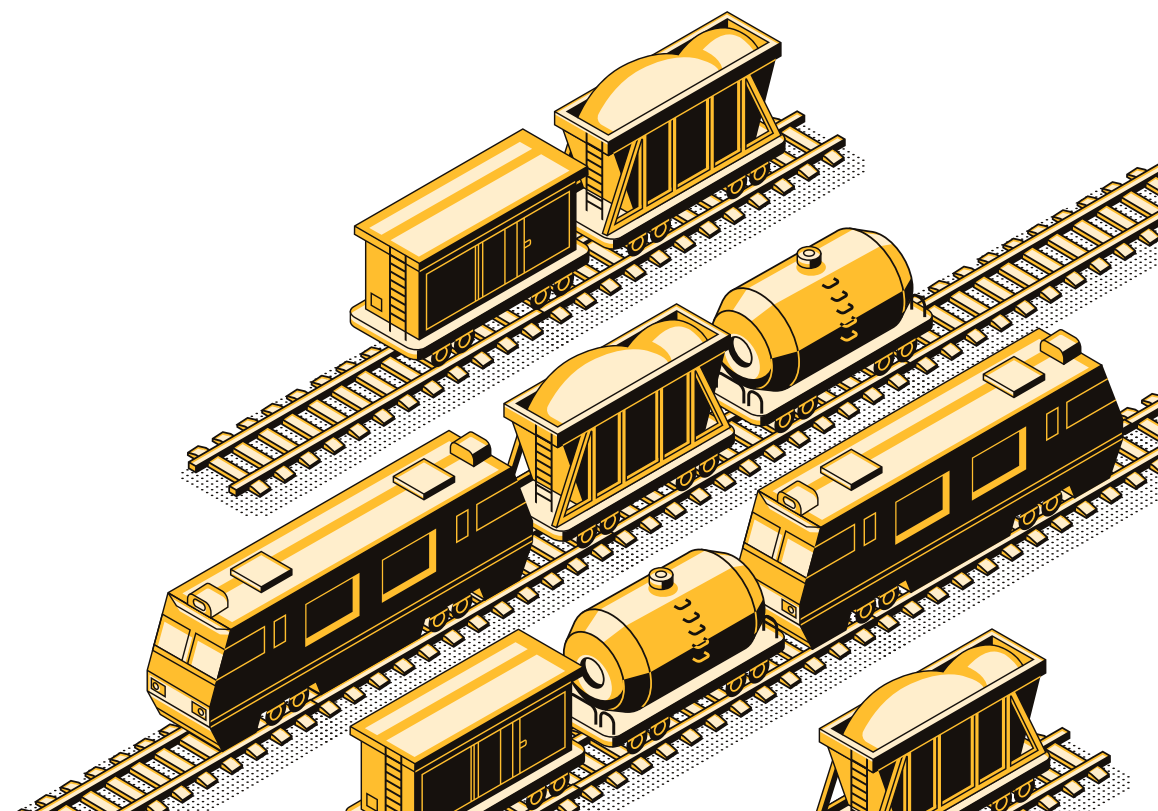


**Conceptual image** – indicative of design intent and for orientation purposes

## Post-Conflict Recovery Strategy

- Restoration of the **Awash–Kombolcha–Hara Gebeya** railway line functionality.
- Priority to restarting freight and **passenger connections**
- **Strengthening** of infrastructure resilience.
- **Design and documentation review** will be carried out by **INROS LACKNER**.

<https://www.inros-lackner.de/en/services/railway-engineering>, an **international engineering company** with proven expertise in the design and supervision of **major transport infrastructures**.



Conceptual image – indicative of design intent and for orientation purposes

# INROS LACKNER – Extension and Modernisation of Rail Networks

## A German Engineering Company

- **Leader in rail and tramway infrastructure**  
Strong expertise in sustainable mobility solutions

## Mobility & Interconnection

- Integration of air, road, water, and rail transport
- Expansion and modernisation of infrastructure as a key task

## Our Services

- New construction, modification & maintenance of railway and tram networks
- Design of platforms, transshipment stations, and workshops
- Development of intelligent transport & traffic systems

## Integrated Expertise

- Planning in close collaboration with safety engineering and power supply experts



Fast transshipment facility for combined transport  
**MEGAHUB LEHRTE, HANOVER**



Redesign of the main train station  
**RAILWAY HUB, MAGDEBURG**

## Site Visit Planning & Sizing Work

- Planning of **site visits** along the **Awash–Kombolcha–Hara Gebeya** corridor
- **Sizing of rehabilitation works** based on technical requirements and operational priorities
- Direct inspection of **infrastructure and facilities** (tracks, bridges, stations, depots)
- Identification of **bottlenecks and damaged sections** requiring immediate intervention
- Field data collection to support the **scope definition** and investment plan



Conceptual image – indicative of design intent and for orientation purposes

## Contract Form & Funding Structure Definition

- Definition of a **modern and transparent EPC contract form**
- Allocation of **roles and responsibilities** among ERC, contractors, and partners
- Integration of **international best practices** for risk sharing and dispute resolution
- Structuring of the **funding model** with **Export Credit Agencies** (ECA), development banks, and private investors
- Inclusion of **local content provisions** to maximize **socio-economic benefits in Ethiopia**



Conceptual image – indicative of design intent and for orientation purposes

## Engagement with ECAs and State Guarantees

- Early dialogue with **Export Credit Agencies** (ECAs) to secure project financing
- Definition of the **funding structure** combining concessional loans, export finance, and private capital
- Assessment of **sovereign guarantees** and government support mechanisms
- Integration of **risk mitigation instruments** (political risk insurance, credit guarantees)
- Alignment of financial structure with **long-term project sustainability** and stakeholder confidence



Conceptual image – indicative of design intent and for orientation purposes



## Promotion under Mattei Plan for Africa

- Strategic alignment of the project within the **Mattei Plan for Africa**
- Recognition as a **flagship initiative** of **Italy–Ethiopia cooperation**
- Promotion through **institutional channels** in **Italy, Ethiopia**, and the **EU**
- Facilitation of **public–private partnerships** under the Mattei framework
- Enhancing visibility to attract **international investors and donors**



Conceptual image – indicative of design intent and for orientation purposes

# Awash Oil Depot Link Rails Connection

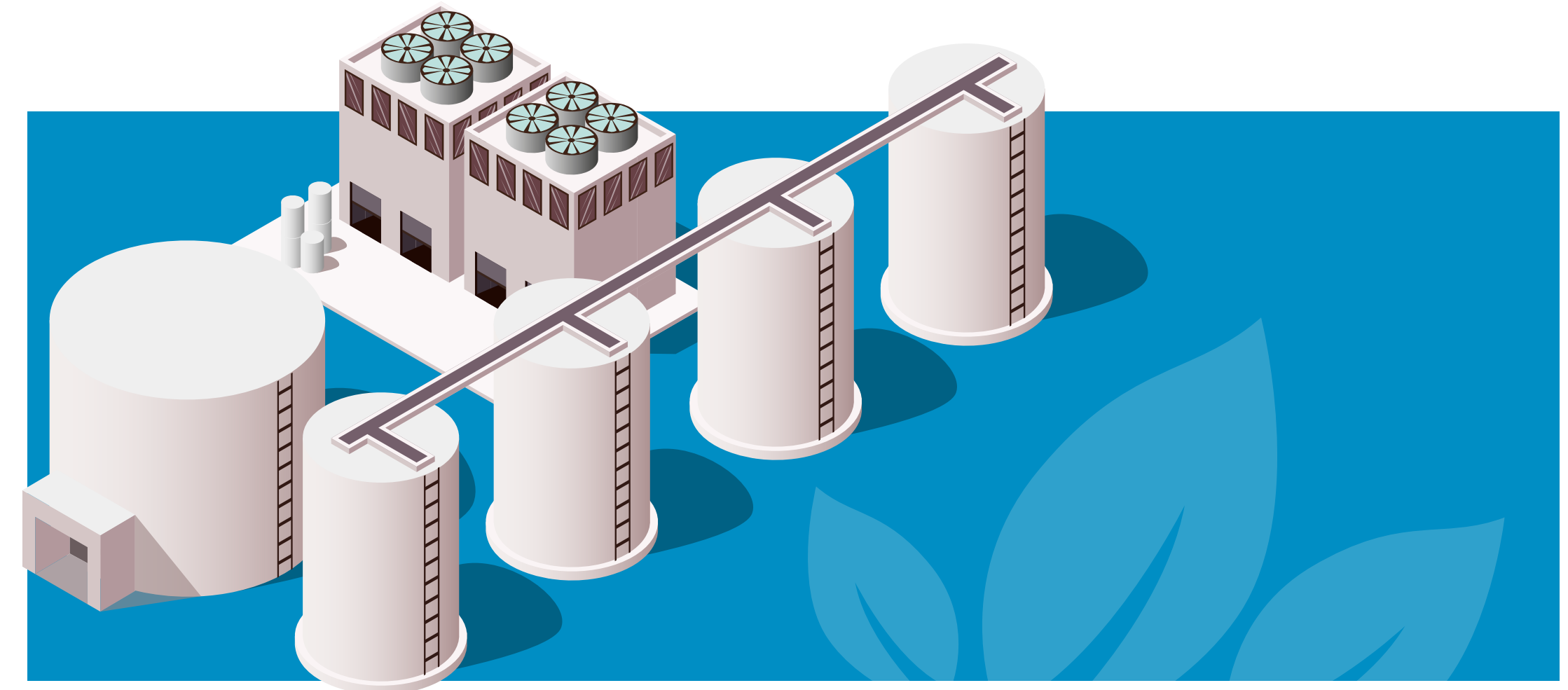


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**Ethiopian Railway's Corporation** is building the **Awash Oil Depot** rail link project to facilitate the country's economic and social activities by transporting oil supplies from the **port of Djibouti by Train**.

This railway will connect **Ethio-Djibouti** and **Awash-Kombolcha-Hara-Gebeya** railway lines that stretch to **Northern part of Ethiopia**.

The project **started in 2021** and being built in Ethiopia's government budget of **\$55 million**. This project is being built by China Civil Engineering Construction Corporation (CCECC). The consultant is China Rail Transit Engineering Consultancy (CRTEC).

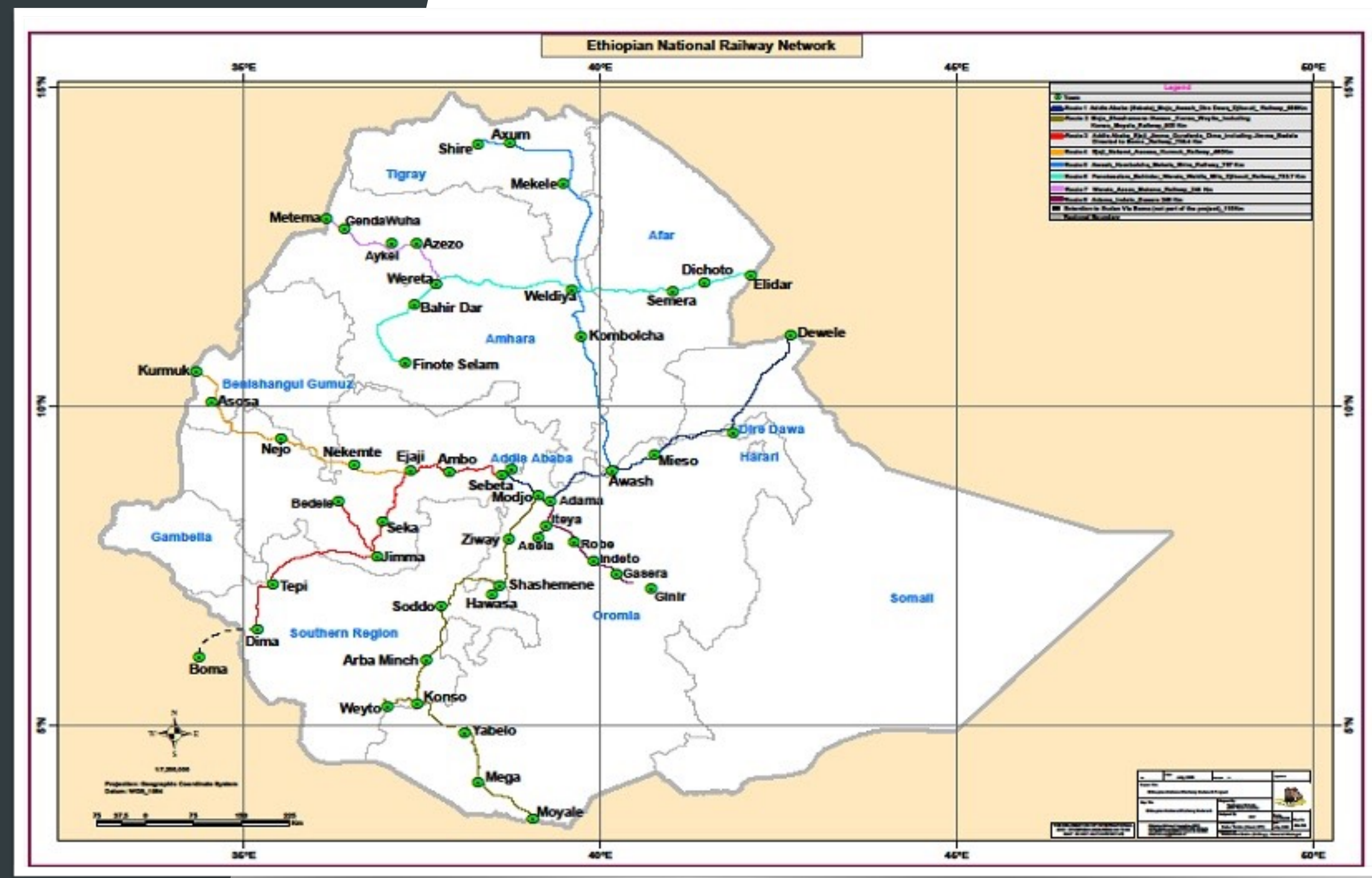


# THE NATIONAL RAIL NETWORK

Ethiopia's National Railway Network (NRN) is a strategic infrastructure project aimed at bolstering the nation's economic development by enhancing connectivity and facilitating efficient transportation of goods and passengers. The Ethiopian Railway Corporation (ERC), established in 2007, oversees the construction and operation of this network.

## Key Components of the National Railway Network:

- 1. Addis Ababa–Djibouti Railway:** This 756 km electrified standard gauge line connects Ethiopia's capital, Addis Ababa, to the Port of Djibouti, providing Ethiopia with direct access to international markets. The railway significantly reduces travel time between the two cities, enhancing trade efficiency.  
[Wikipédia](#)
- 2. Awash–Weldiya Railway:** This line extends the network northward, linking Addis Ababa to the northern regions of Ethiopia. It is designed to facilitate both passenger and freight transport, promoting economic activities in the northern parts of the country.  
[Wikipédia](#)
- 3. Weldiya–Mekelle Railway:** Further extending the network, this line connects Weldiya to Mekelle, enhancing connectivity within the Tigray region and supporting regional economic integration.  
[Wikipédia](#)
- 4. Addis Ababa Light Rail Transit (LRT):** In addition to the national network, Addis Ababa features an urban light rail system that commenced operations in 2015. This system alleviates traffic congestion in the capital and provides an efficient mode of urban transportation.





## Related Project: Awash Oil Depot Rail Link

- **Awash Oil Depot Link** connects the **Ethio-Djibouti** and **AKH** railways
- Supports fuel transport **logistics for inland regions**
- **\$55M project funded** by Ethiopian government
- Built by China Civil Engineering Construction Corporation (**CCECC**)
- Consulting by China Rail Transit Engineering Consultancy (**CRTEC**)



## National Railway Vision and Integration

### Ethiopia's National Railway Vision:

- Create a unified, **electrified national rail** grid

### Major components:

- – Addis Ababa–Djibouti Railway (**756 km**)
- – Awash–Weldiya Railway (AKH)
- – Weldiya–Mekelle extension
- **Urban light rail** in Addis Ababa (operational since 2015)



Conceptual image – indicative of design intent and for orientation purposes



## Financial Coordination & Stakeholders

### COIPA Financial Coordination:

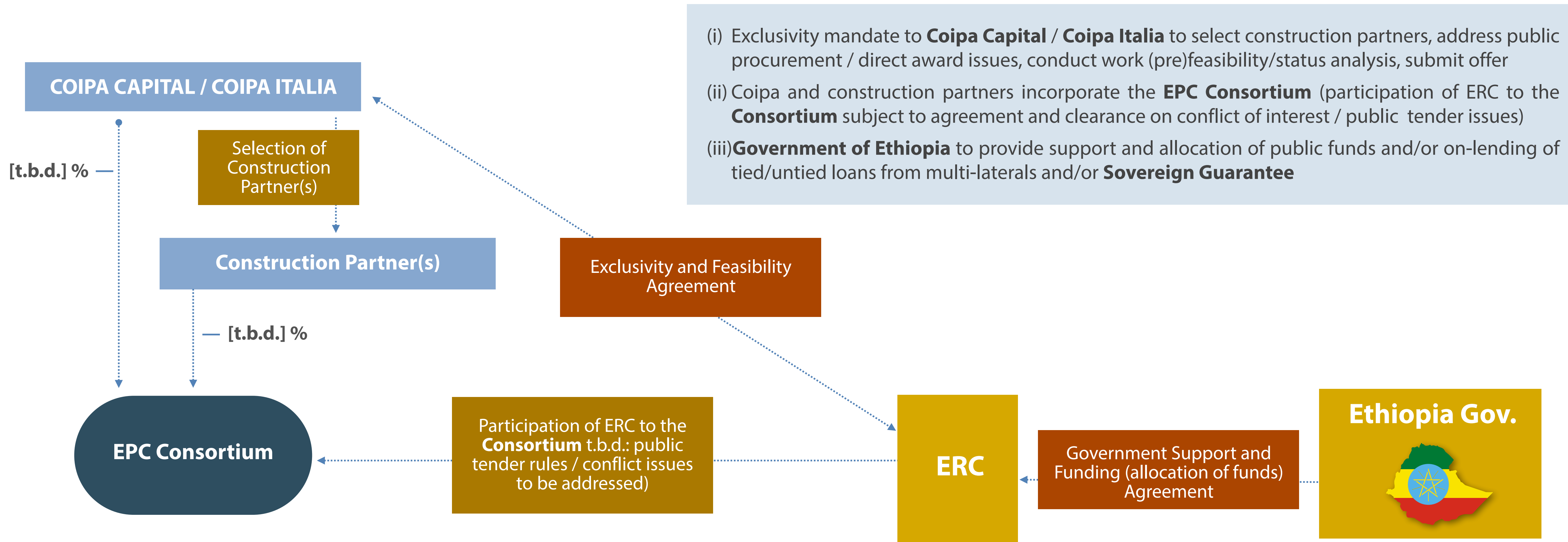
- **SACE** (Italian ECA)
- International Finance Corporation (**IFC**)
- African Development Bank (**AfDB**)
- European Investment Bank (**EIB**)
- Islamic Development Bank
- Coordination with **Italy–Africa bilateral** initiatives and **Mattei Plan**





## Incorporation of Consortium - « Project AWASH »

### ★ Exclusivity Agreement; Incorporation of **Consortium**; Role/Participation of **ERC**; Government Support



# Awash – Kombolcha – Hara Gebeya Railway Refurbishment Project

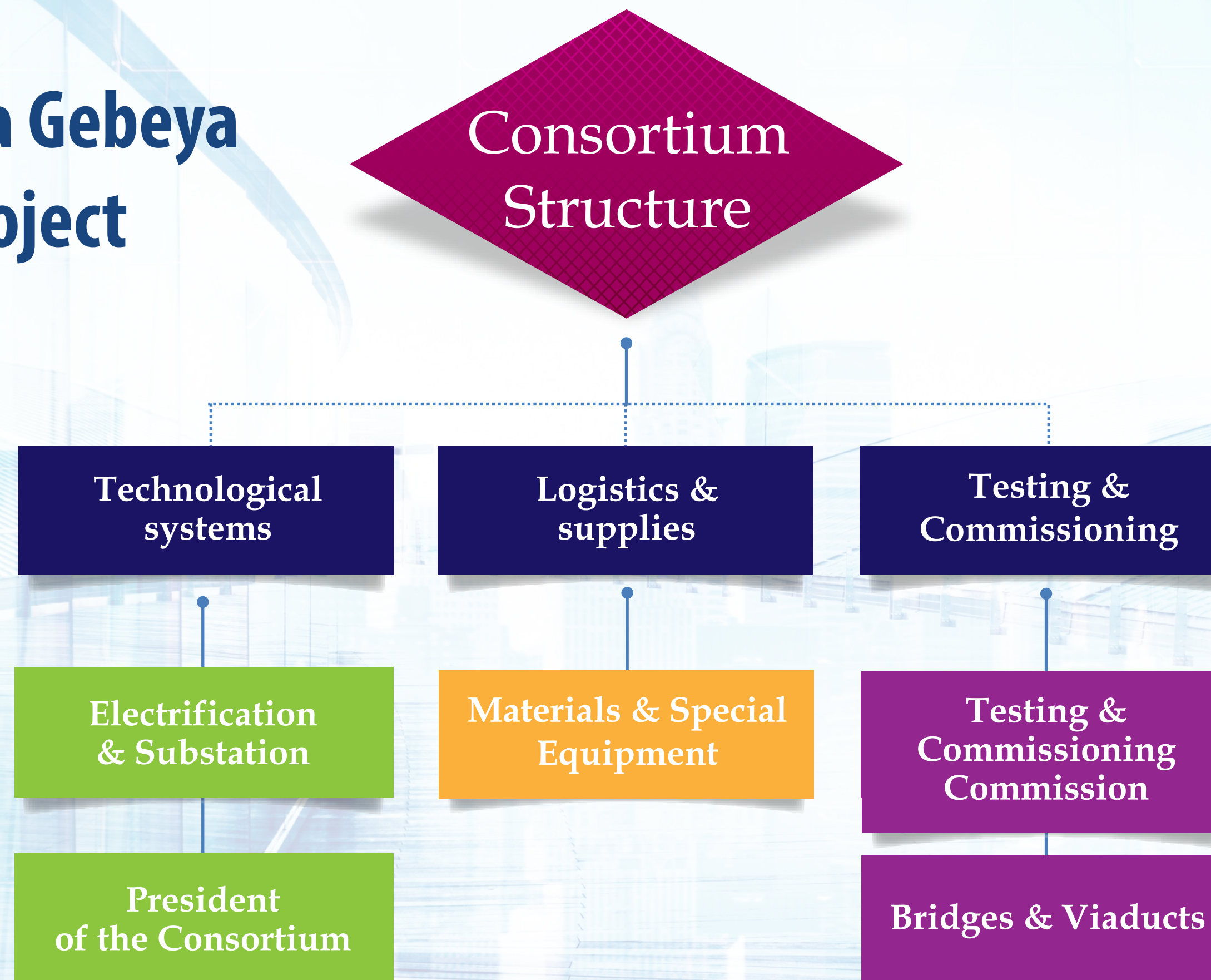


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# Awash – Kombolcha – Hara Gebeya Railway Refurbishment Project

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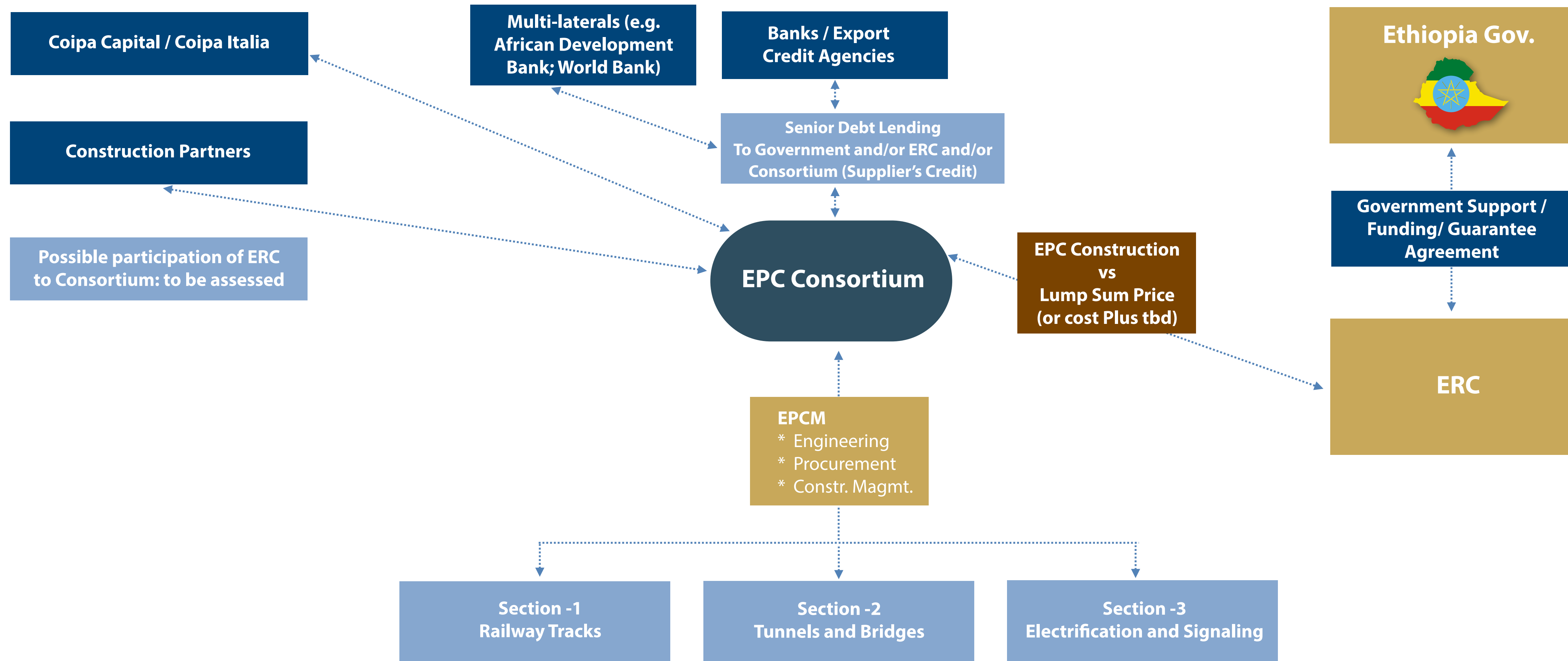




## COIPA Activities

- (i) **COIPA to mandate advisors** (Legal/Financial/Technical)
- (ii) Preliminary Development Activities:
  - Project's engineering, procurement, construction status **assessment and feasibility**;
  - **EPC/EPCM** structure;
  - Development of financing and **commercial operation structure** and Project's initial overall due-diligence;
  - **Preliminary binding agreement** with suppliers and contractors;
  - Negotiation of agreements with **ERC/Government**;
  - Negotiations with **SACE/ECAs**;
  - Preliminary binding commitment letters (if needed) **from international** banks / multi-laterals
- (iv) Clearance on public procurement / conflict of interest rules and decision (**with ERC**) on work award structure
- (v) Preparation and submissions of **EPC** offer (and related stapled financing, if needed).

# Implementation of Project AWASH





COIPA Italia S.p.A



# THANK YOU

COIPA Italia & ERCCG are committed to revitalizing the **AKH railway** as a pillar of Ethiopia's sustainable growth.

For more information:

[www.coipaitalia.com](http://www.coipaitalia.com) | [m.genova@coipaitalia.com](mailto:m.genova@coipaitalia.com)

