

Egypt: New Project Will Support Railway Safety and Efforts to Enhance Service Quality

Washington DC, March 5th, 2021 – The World Bank’s Board of Executive Directors today approved a US\$440 million loan to support Egypt’s initiatives to enhance the safety and service quality of the country’s railways. The Railway Improvement and Safety for Egypt (RISE) total project cost is US\$ 681.1 million, including US\$ 241.1 million in contribution by the Egyptian National Railways (ENR). The project will focus on modernizing the signaling for the Cairo – Giza – Beni Suef segment of the ENR network and supporting the reforms needed to enhance ENR’s performance and competitiveness.

“Today more than ever, there is a great need to develop sustainable infrastructure. Redefining smarter transportation solutions improves safety, enhances mobility, safeguards the environment and strengthens job creation and economic growth,” said **Dr. Rania A. Al-Mashat, Egypt’s Minister of International Cooperation**. *“This project supports the momentum for reform and the demand for urban mobility and reliable public transport, integral to achieving the 2030 Sustainable Development Goals.”*

The ENR network comprises of over 5,000 km of rail tracks and primarily offers passenger services for low-income Egyptians. About 270 million passengers took trains in FY2019, up from 228 million in FY2015 and 247 million in FY2010. Over the years, ENR has faced multiple obstacles that show there is margin for improving its performance, namely in the realms of operations, cost recovery, maintenance, and customer service.

“This operation builds on the World Bank’s policy dialogue with Egypt in the transport sector, including on institutional and governance arrangements, and safety and regulatory aspects,” said **Marina Wes, World Bank Country Director for Egypt, Yemen and Djibouti**. *“We are keen and committed to continue to support this vital sector which provides critical services especially to low-income citizens, helping to increase access to employment opportunities and markets.”*

The newly approved Railway Improvement and Safety for Egypt Project (RISE) is a continuation of the Egypt National Railways Restructuring Project (ENRRP), which concluded in 2020 and focused on upgrading the signaling system of the Alexandria – Cairo and Beni Suef – Nag Hammadi segments.

“Modernizing and reforming Egypt’s railways is critical to meeting citizens’ travel needs and boosting the overall economy,” said, **Lieutenant General Kamel El Wazir, Egypt’s Minister of Transportation**. *“Improving the service for millions of passengers per day is a priority, particularly because citizens depend on the ENR to access jobs and do other tasks, including fulfilling personal errands. Increasing freight transport is also a critical objective, which will increase the economy’s overall competitiveness. Through partnering with the World Bank on this project, we aim to enhance the performance of this important sector.”*

The RISE project will modernize the signaling system and track upgrade works along the Cairo – Beni Suef segment, and will continue ENRRP’s works along the Alexandria – Cairo and Beni

Suef – Nag Hammadi segments at a total length of 763 km. The RISE project also aims to improve safety for ENR passengers and workers in a holistic and systemic manner by introducing an upgraded Safety Management System. Service quality will also improve due to the improved punctuality, which is expected to increase from 75 to 90 percent of trains running on time. Additionally, the RISE project seeks to advance the railway modernization efforts promoted by the Ministry of Transport to align ENR with international best practices by introducing performance-based funding.

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