



TRANSPORT

LOWER MIDDLE INCOME *

CLIMATE-SMART

TRADE-ENABLING

EGYPT

Dry Ports Development

GIF FUNDING & LEVERAGE

GIF Project Definition
Support:

\$150,000

Potential Private Investment
Mobilized:

\$280 million

The government of Egypt seeks a modal shift from road to railway in the logistic sector and to increase international trade by improving efficiency and expanding operational capacity of its port in Alexandria. A dry port and railway bypass project, developed with support from the GIF, will enable Egypt to achieve this objective by attracting private sector participation in the project.

EXPECTED PROJECT OUTCOMES

- ◆ Up to \$280 million in private sector investment will be mobilized for the dry port and railway bypass
- ◆ The handling capacity of existing container terminals in Alexandria port will be expanded, thereby enhancing international trade with Egypt
- ◆ Egypt's transportation sector will become more climate friendly as the market share for freight shifts from roads to railways
- ◆ The dry port pilot will pave the way for further dry port projects, which will stimulate private investment in Egypt's transportation and logistics sectors

TECHNICAL PARTNERS



European Bank
for Reconstruction and Development

* Based on World Bank Group classification by income

BACKGROUND

The Egyptian government, through its General Authority for Land and Dry Port, aims to facilitate development of land ports and increase the efficiency of sea ports by streamlining logistic processes and procedures. This in turn is expected to boost international trade between Egypt and the rest of the world. It will also shift growing container traffic from roads to railways, thereby reducing Egypt's carbon footprint.

A National Transport Study conducted from 2009 to 2012, conducted under the aegis of the Japan International Cooperation Agency, identified a number of measures to achieve these objectives. Two of these, the development of a dry port and a railway bypass, were identified as priorities by the government. The study forms the basis for transportation planning decisions by the Egyptian authorities.

The European Bank for Reconstruction and Development (EBRD), through its Infrastructure Project Preparation Facility, may provide up to €1.8 million for the preparation of the dry port sub-project.

PROJECT FEATURES

The project consists of two components. The first is a pilot for a logistics center that includes a dry port and ancillary facilities for storing and consolidating goods under a concession or a joint venture. The dry port is expected to process up to 300,000 twenty-foot equivalent units, capturing around 10 to 15 percent of the current container traffic between Alexandria to Cairo.

The second is a 38-kilometer railway bypass west of Cairo dedicated to freight traffic between the ports of Alexandria, the new logistics center, and Cairo. The bypass will reduce congestion and help create the conditions necessary for a more significant shift of freight from road to railway and to the new logistic facility.

The project is being led by the Egypt's General Authority for Land and Dry Port under the supervision of the Ministry of Transport in association with the Egyptian National Railways.

WHY GIF

The GIF will provide additional and coordinated support in parallel with EBRD to enable the development of sub-projects in a coordinated project pipeline. The GIF's participation will reduce coordination risk and attract interest from the private sector. It will also increase business opportunities in the Egyptian logistic sector for private investors.

The GIF's involvement will help address the complexity of the project, which stems from the involvement of several different public and private entities in each sub-project. Success will essentially depend on the good coordination of these different entities and on the upfront definition of a clear and efficient global organization.

The project will require continuous support and commitment from the Egyptian authorities to succeed. Such attention and commitment will more likely be realized if more than one development institution is engaged in the project. The GIF's involvement, along with EBRD, will leverage the political strength of both institutions to support the Egyptian authorities and will benefit of the project as a whole.

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.