

**Cairo Alexandria Trade Logistics Development Project (P177932)**

MIDDLE EAST AND NORTH AFRICA | Egypt, Arab Republic of | IBRD/IDA | Investment Project Financing (IPF) | FY 2023 | Seq No: 4 | Archived on 17-Jul-2024 | ISR01005

Implementing Agencies: Egyptian National Railways - Ministry of Transport, Ministry of Transport, Egypt

1. OBJECTIVE**1.1 Development Objective**

Original Development Objective (Approved as part of Approval package on 28-Sept-2022)

To improve the performance and support the decarbonization of the logistics and transport sectors in the Alexandria-6th October-Greater Cairo Area railway corridor.

Has the Development Objective been changed since Board Approval of the Project Objective?

No

2. COMPONENTS

Name

1. Railway Sector Reform, Project Delivery, Stakeholder Engagement, Women's Economic Empowerment, and Private Sector Participation:(Cost 24,000,000.00)

2. Track extension, railway signaling modernization, and selected track upgrades to create a railway bypass around the Greater Cairo Area:(Cost 973,000,000.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	 Satisfactory	 Satisfactory
Overall Implementation Progress (IP)	 Satisfactory	 Moderately Satisfactory
Overall Risk Rating	 Substantial	 Substantial

4. KEY ISSUES & STATUS



4.1 Implementation Status and Key Decisions

- The procurement of the main contract in the project, "Single Responsibility Contract for Plant, Design, Supply, Installation, Factory Acceptance Testing, and Testing & Commissioning of the new Signaling System," is advancing well because ENR received the first stage technical proposals on July 6, 2024.
- The Procurement is advancing for the Works Integrator and Supervisor as ENR issues the updated Request for Expressions of Interest (REOI) with expressions of interest due on July 22, 2024.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 29 Sep 2022	Last Approved Rating ISR Seq. 03 - 21 Dec 2023	Proposed Rating
Political and Governance	Substantial	Substantial	Substantial
Macroeconomic	Substantial	Substantial	Substantial
Sector Strategies and Policies	Moderate	Moderate	Moderate
Technical Design of Project or Program	Substantial	Substantial	Substantial
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial	Substantial
Fiduciary	Substantial	Substantial	Substantial
Environment and Social	Substantial	Substantial	Substantial
Stakeholders	Moderate	Moderate	Moderate
Overall	Substantial	Substantial	Substantial



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

Improving the performance of the logistics sector on the Alexandria-6th October-GCA railway corridor								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
1. Containers handled by rail between AP and DP6 (Number)	0.00	Apr/2022	0.00	15-Jun-2023			184,000.00	Jun/2029
	Comments on achieving targets		<p>This indicator measures the "improve performance of the logistics sector" aspect of the PDO. The indicator uses container traffic using the AP-DP6 rail corridor from the Cairo Alexandria Trade Logistics Development Project (CATLDP) actions. The project aims to create infrastructure capacity, establish an infrastructure access charging (IAC) regime, and pass rail-friendly policies. These are all enablers that attract shippers to shift their traffic to rail.</p> <p>The twenty-foot equivalent unit, abbreviated as TEU, "is a unit of volume used in maritime and rail transport statistics, equivalent to a 20-foot ISO container."(1) Each freight wagon can move up to two TEU-equivalent or a 40-foot container. A 40-foot container counts as two TEUs.</p> <p>(1) Twenty-foot equivalent unit (TEU) is a unit of volume used in maritime and rail transport statistics, equivalent to a 20-foot ISO container.</p>					
Improving the performance of the railway sector on the Alexandria-6th October-GCA railway corridor								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
2. Freight traffic volumes between AP,	500,000.00	Apr/2022	500,000.00	15-Jun-2023			112,000.00	Jun/2029



the GCA and Upper Egypt (Number (Thousand))	Comments on achieving targets	This indicator measures the "improve the performance of the railway sector" aspect of the PDO. The measurement is in million net-ton-km as per this definition that ENR currently follows: A net ton-kilometer equals cargo weight transported times distance transported. Net ton-kilometer (ntkm) does not include the weight of wagons and locomotives used to haul the freight by rail. The measurement is per year. ENR will count all types of freight on the intervened corridor, from containers to bulk and general cargo. The indicator will measure freight flows between the AP, DP6, and Upper Egypt. ENR informed the baseline value using the current route that goes through the GCA as 500 million ntkm per year. The ENR and the Bank agreed on a model to project growth in the ntkm. The model assumes 3% annual growth for existing freight, increasing to 614,934,933 ntkm by year 7. The model also projects that container traffic between AP and DP6 will materialize once the freight railway bypass is operational. This increase adds 495,249,408 ntkm, which results in a forecasted total of 1,110 million ntkm when the greenfield link becomes operational.
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Lowering GHG gas emissions of the logistics and railway sectors in the Alexandria-6th October-GCA

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Net greenhouse gas (GHG) emissions (Metric tons/year)	0.00	Apr/2022	0.00	15-Jun-2023	0.00	15-Jun-2023	1,136.00	Jun/2029
	Comments on achieving targets		Project net greenhouse gas (GHG) emissions are calculated as an annual average of the difference between project gross (absolute) emissions aggregated over the economic lifetime of the project and the emissions of a baseline (counterfactual) scenario aggregated over the same time horizon. They are reported in metric tons of carbon dioxide equivalent per year.					

6.2 Intermediate Results Indicators by Components



1. Railway Sector Reform, Project Delivery, Stakeholder Engagement, Women’s Economic Empowerment, and Private Sector Participation								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
1.1 Steering Committee established and meets periodically (Yes/No)	No	Apr/2022	Yes	15-Jun-2023	Yes	15-Jun-2023	Yes	Jun/2029
	Comments on achieving targets		The Ministry of Transport (MoT) established a steering committee (SC) that will include the Ministry of Finance (MoF) and the Ministry of International Cooperation (MoIC). This SC is the same for the RISE project.					
1.2 Project-affected people working group to meet regularly (Number)	0.00	Apr/2022	0.00	15-Jun-2023			20.00	Jun/2029
	Comments on achieving targets		The indicator tracks the number of project-affected people working group meetings that provided inputs on project processes and reforms supported by the project. This indicator capitalizes on component 1.3 by establishing a working group composed of project-affected people along the rail corridor, the Greenfield segment, and relevant civil society representatives, as described in the Stakeholder Engagement Plan (SEP). This working group will comment on the project implementation process, starting with land acquisition. The working group will prepare meeting minutes for each meeting and share them with the head of the Project Management Unit (PMU) and the project department. The PMU will then communicate how it incorporated these comments into the project implementation through a letter to the working group. This indicator, therefore, tracks if the feedback loop is closed.					
1.3 Project Stakeholders working group to meet regularly (Number)	0.00	Apr/2022	0.00	15-Jun-2023			20.00	Apr/2023
	Comments on achieving targets		The indicator tracks the number of multi-stakeholders working group meetings that provided inputs on project processes and reforms supported by the project. The project includes reforms with impacts on					



			different stakeholders. This indicator tracks the meetings of a stakeholder working group composed of representatives of AP, DP6, customs, immigration, freight forwarders, logistics operators, and other stakeholders/authorities. This working group will provide input on the regulatory framework under subcomponent 1.1 by giving minutes to the steering committee. Before each working group meeting, the steering committee will inform how it considered the input from the last working group meeting or explain why it did not consider the input. Therefore, frequent communication between the working group and the steering committee will occur. This indicator, therefore, tracks if the feedback loop is closed.					
1.4 Grievances registered related to the delivery of project benefits that are addressed (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023			100.00	Dec/2029
	Comments on achieving targets		The ENR will establish a channel to receive, register, and address concerns and grievances related to project implementation. The ENR will report on the total number of grievances, how it solves them, and, if not, the reasons for postponing. The target is for the ENR to address 100 percent of the grievances it receives positively.					
1.5 Women employed in ENR after ENR upgrades its childcare (Number)	0.00	Apr/2022	0.00	15-Jun-2023			50.00	Jun/2029
	Comments on achieving targets		This indicator tracks the increase in female employment after ENR upgrades the childcare facility for its employees. ENR will upgrade the childcare by the fourth year of the project implementation.					
1.6 Female last-year university students and/or recent graduates from engineering faculties trained by the ENR in a one month training program (Number)	0.00	Apr/2022	0.00	15-Jun-2023	0.00	15-Jun-2023	210.00	Jun/2029
	Comments on achieving targets		Each year of the project, the ENR will train at least 30 female last-year university students and recent graduates from engineering faculties to a total of 210 trainees by the end of the project. The trainees will be awarded completion certificates affirming the organization (ENR) where the trainees have undergone training and indicating the duration of the					



			training (minimum one month) and te particular field/department where the training took place.					
1.7 Policy reform preparatory analysis for IAC (Yes/No) PBC	No	Apr/2022	No	15-Jun-2023	No	15-Jun-2023	Yes	Dec/2025
	Comments on achieving targets		<p>The project will continue the railway sector reform started by the RISE Project to create an attractive environment for Private Sector Participation (PSP). The Infrastructure Access Contract (IAC) will allow the ENR to charge a fee for using its tracks. This approach will level the playing field for the private sector to offer railway services in similar conditions to ENR. Implementing the IAC regime will present the "user pays" principle.</p> <p>The MOT and the ENR will develop the IAC thanks to the technical study in subcomponent 1.1. This document will summarize the characteristics of the network, the approved infrastructure maintenance and new construction programs for the specified period, the structure and level of charges, the capacity allocation methodology and procedures, and draft the content of the enabling regulations for the MoT to put in a suitable legal form for approval.</p> <p>The GoE will achieve this indicator when it passes the enabling regulation supporting the IAC regime. The ENR can also sign this IAC contract with private sector providers that want to use the ENR tracks. Achieving this intermediate indicator means that the GoE met the Performance-Based Condition (PBC). Please see "Verification Protocol Table: Performance-Based Conditions" for more details. Annex 1 of the PAD also presents more information.</p>					
1.8 Independent Safety Regulator (Yes/No)	No	Oct/2022	No	15-Jun-2023			Yes	Jun/2029
	Comments on achieving targets		The CATLDP project will continue the railway sector reform started by the RISE Project to create an attractive environment for Private Sector Participation (PSP). This reform demands Safety Regulation will guarantee all service providers meet minimum requirements. The private sector will					



		<p>not want to become involved if ENR were to regulate private sector operations' safety.</p> <p>Therefore, a robust Independent Safety Regulator will be responsible for licensing operators, approving Safety Management Systems (SMS), carrying out investigations, and making government-level recommendations. The Regulator will need to be independent of ENR and any influence of a financial nature from an operator and other vested interests. Government can then make and be accountable for decisions relating to the safe operation of the railways based on unfettered advice. The Independent Safety Regulator will also benefit ENR by providing "mentor" advice and mandate operations where necessary. ENR will have to earn the continuation of its license during a transition period where it is developing its SMS. New operators will need a fully informed SMS.</p> <p>The Study on Railway Sector Reform (in sub-component 1.1) will review the strength of independent safety regulation that will be required to provide the private sector confidence that they will be treated equally in safety matters as the ENR. This review is in addition to a summary of the characteristics of the network, the approved infrastructure maintenance and new construction programs for the specified period, the structure and level of charges, and the capacity allocation methodology and procedures. In particular, the review of Safety Regulation will examine the independence and capacity of the current Safety Regulator to become a proactive Regulator that will license operators, set standards and mandatory procedures where required, and audit and approve railway operators' Safety Management Systems. The Regulator will regularly inspect field opera</p>						
1.9 Enabling private capital mobilization (PCM) for the railway sector (Yes/No)	No	Sept/2022	No	15-Jun-2023	No	15-Jun-2023	Yes	Jun/2029
	Comments on achieving targets		This indicator tracks the implementation of the study in subcomponent 1.4, titled "Enabling private capital mobilization (PCM) for the railway					



			<p>sector." This study is related to the study in the RISE Project that will identify and preliminary select the opportunities for PSP. The study in CATLDP will help ENR develop these opportunities to the level required for the private sector to commit to invest in the national railway sector formally. The study will explore "last mile railway connectivity," hook-and-haul traction serices, leasing/purchasing wagons, and the operation of dedicated marshaling yards ("transfer points")</p> <p>The consultant will provide direct analytical and operational assistance to the ENR in dealing with private parties. The study will propose the private-sector commitments concerning the railway sector. ENR will prepare suitable agreements (at the Heads of Terms level, for example) outlining who does what and who pays what.</p> <p>In terms of the specific opportunities, the indicator measures the completion status of the study.</p>					
1.10 Decarbonization roadmap for the ENR& Green investment study (Yes/No)	No	Sept/2022	No	15-Jun-2023			Yes	Jun/2029
	Comments on achieving targets		<p>The project aims to develop a decarbonization roadmap for the ENR to put this part of the Egyptian transport infrastructure development on a pathway consistent with the Paris Agreement temperature goals. The objective is to identify and assess the most viable options from a technical, social, economic, and financial perspective) for ENR. The study will maximize synergies with decarbonization efforts in other sectors, such as power generation, industry, shipping, aviation, etc., and create business and development co-benefits for Egypt.</p> <p>The scope of this study to develop a decarbonization roadmap for the ENR could include (a) assessing Egypt's railway network against its techno-economic suitability to be electrified or operated with hydrogen-powered trains or operated with battery-powered trains; (b) determining the best decarbonization approach (track electrification, hydrogen, batteries, or hybrid) for each of Egypt's main railway corridors, (c) exploring synergies</p>					



		with parallel decarbonization plans in Egypt's related sectors (for example, power, industry, shipping, aviation, and so on); (d) providing preliminary cost estimates for example, for new/retrofitted infrastructure and rolling stock) and estimate potential benefits (for example, reduced air pollution and public health); and (e) recommend to the ENR short-term, mid-term, and long-term actions to achieve full decarbonization over the coming decades.
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2. Track extension, railway signaling modernization, and selected track upgrades to create a railway bypass around the Greater Cairo Area

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
People benefiting from improved access to sustainable transport infrastructure and services (Number of people) CRI	False		False				False	
People benefiting from improved access to sustainable transport infrastructure and services - Youth (Number of people) CRI	False		False				False	
People benefiting from improved access to sustainable transport infrastructure and	False		False				False	



services - Female (Number of people) CRI								
2.1 Construction progress works implemented through GARB (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023	0.00	15-Jun-2023	100.00	Dec/2024
	Comments on achieving targets		This indicator measures the progress in the works implemented through GARB as per the agreement with the ENR. These works are for the greenfield segment in 2.1 and the track dualization in 2.3(a) in the El Bashteel-El Itihadsegment.					
2.2 Signaling towers commissioned on the railway bypass around the Greater Cairo Area (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023			100.00	Jun/2029
	Comments on achieving targets		<p>This indicator measures the progress in implementing the signaling towers in the project. There are sub-indicators by segments. The description and methodology are in the parent indicator and apply to the sub-indicators.</p> <p>A signaling tower refers to (1) the buiding or structure hosting the signaling control room; (2) all related signaling, control, and other relevant equipment; and (3) all signaling equipment on the tracks and at stations controlled by the signaling tower.</p> <p>Commissioning refers to installing modernized signaling and ancillary equipment such as cables, computers, software, point machines, signals, power supply, telecommunication equipment, rehabilitated track, and turnouts in all stations and along the entire lengths of track controlled by the signaling tower.</p> <p>One segment has new signaling installed (2.1) Greenfield segment linking the Bashteel-Itay El Baroud section to the Marazeeq-Wahat line. Three segments have track and signaling upgrades: (2.2) Marazik-Wahat, (2.3) El Bashteel-Itay El Baroud, and (2.4) El Itihad-Tafarao.</p>					



2.2.1 Signaling towers commissioned in the Greenfield segment linking the Bashteel-Itay El Baroud segment to the Marareek-Wahat line (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023	0.00	15-Jun-2023	100.00	Dec/2028
	Comments on achieving targets		See parent indicator.					
2.2.2 Signaling towers commissioned in the Marazik-Wahat section (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023	0.00	15-Jun-2023	100.00	Dec/2028
	Comments on achieving targets		See parent indicator.					
2.2.3 Signaling towers commissioned in the El Bashteel-Itay El Baroud segment (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023			100.00	Dec/2028
	Comments on achieving targets		See parent indicator.					
2.2 4. Signaling towers commissioned in the El Itihad-Tafaroa segment (Percentage)	0.00	Apr/2022	0.00	15-Jun-2023			100.00	Dec/2028
	Comments on achieving targets		See parent indicator					
2.3 Centralized Traffic Control Centers (CTC)	0.00	Apr/2022	0.00	15-Jun-2023			3.00	Mar/2029



<p>commissioned in Alexandria - October 6 -Greater Cairo (Number)</p>	<p>Comments on achieving targets</p>		<p>The Centralized Traffic Control (CTC) represents a centralized office that remotely controls all railways interlockings and the traffic flows on a railway segment (usually 100 - 250 km). All signaling towers installed along the respective railway section are connected to the CTC, which controls them for traffic management. The signaling towers are therefore subordinated to the CTC. Commissioning of CTC means the CTC and all subordinated signaling towers are interconnected and operational according to the project specifications. There are three CTCs in the entire alignment: (1) Marazeek-Wahat-greenfield segment to Bani Salamah station on the Bashteel-Itay El Baroud section; (2) El Bashteel-Itay El Baroud, and (3) El-Itihad - Tafaroa. The indicator is not disaggregated, given its simplicity in reporting by segment.</p>				
<p>2.4 Safety culture in railway design and operation (Number)</p>	<p>0.00</p>	<p>Apr/2022</p>	<p>0.00</p>	<p>15-Jun-2023</p>		<p>120.00</p>	<p>Dec/2029</p>
	<p>Comments on achieving targets</p>		<p>This indicator measures the number of safe treatments for pedestrians and vehicles to cross the railway tracks that EN R designed and implemented on-site. The ENR will design and implement safety solutions for the formal and informal at-grade level crossings of all sections of railway track in Sub-Components 2.1, 2.2, 2.3, and 2.4. These solutions may comprise but not be limited to a range of solutions, including:</p> <ol style="list-style-type: none"> 1. Improved safety design of existing vehicle level crossings; 2. Improved safety design of existing pedestrian level crossings; 3. New vehicle level crossings - transforming informal sites to formal sites; 4. New pedestrian level crossings - transforming informal crossings to formal ones; 5. Integration of pedestrian facilities to cross at vehicle level crossings; 6. Closure of selected informal pedestrian crossings through fencing. 7. Footbridges with ramps for non-motorized vehicles and animals to ensure safe passage. 				



			<p>The above improvements include signaling, physical works, fencing, and signing. The listing order does not imply a ranking by importance. The solutions presented and implemented by the ENR should be comprehensive packages of elements where each site implemented will count as one to count towards the sub-indicator.</p>					
<p>2.5 Safety culture adoption as FWSI (Fatalities and Weighted Serious Injuries) data (Number)</p>	2.26	Apr/2022	2.26	15-Jun-2023			1.70	Dec/2029
	<p>Comments on achieving targets</p>		<p>This indicator measures the improvement in safety culture through the FWSI (Fatalities and Weighted Serious Injuries). The unit of measurement is the FWSI, which is fatalities and weighted severe injuries per trillion (10¹²) passenger kilometres defined in the EU (European Union) by the ERA (European Rail Agency). FWSI is a measure of the safety culture because it addresses the way an organization addresses safety. The lower the FWSI, the higher the safety culture. The target is derived from the baseline by applying a 4% year on year improvement, which is the current rate of improvement seen in the EU. The current (2021/2022) FWSI performance (baseline) on the Cairo to Al Itay corridor is 2.26 and the target is thus 1.7. The greenfield segment 2.1 and Wahat corridors do not have baselines because they are not operational yet and there will also be no target for 2.1. The baseline is temporary while ENR confirms ridership, which has not historically been recorded, and will be confirmed at the first ISR of the project. The FWSI per trillion passenger km is needed so that the Bank's operations portal captures the number. The operations portal only accepts two decimal places. If this indicator in the CATLDP is per billion passenger-km, as in the RISE project, then the baseline and target will be 0.00, due to the two decimal place issue. In the RISE Project, this indicator is measured in FWSI per billion (10⁹) passenger-km. The baseline and target achieve meaningful values with the two decimal places of the Bank's portal. The RISE project corridors have higher FWSI than the CATLDP corridors. To avoid this situation, the CATLDP indicator is per trillion passenger-km. The key point, however, is that the FWSI per</p>					



		trillion-km will be lower by 4% per year for a 25% reduction during the project.
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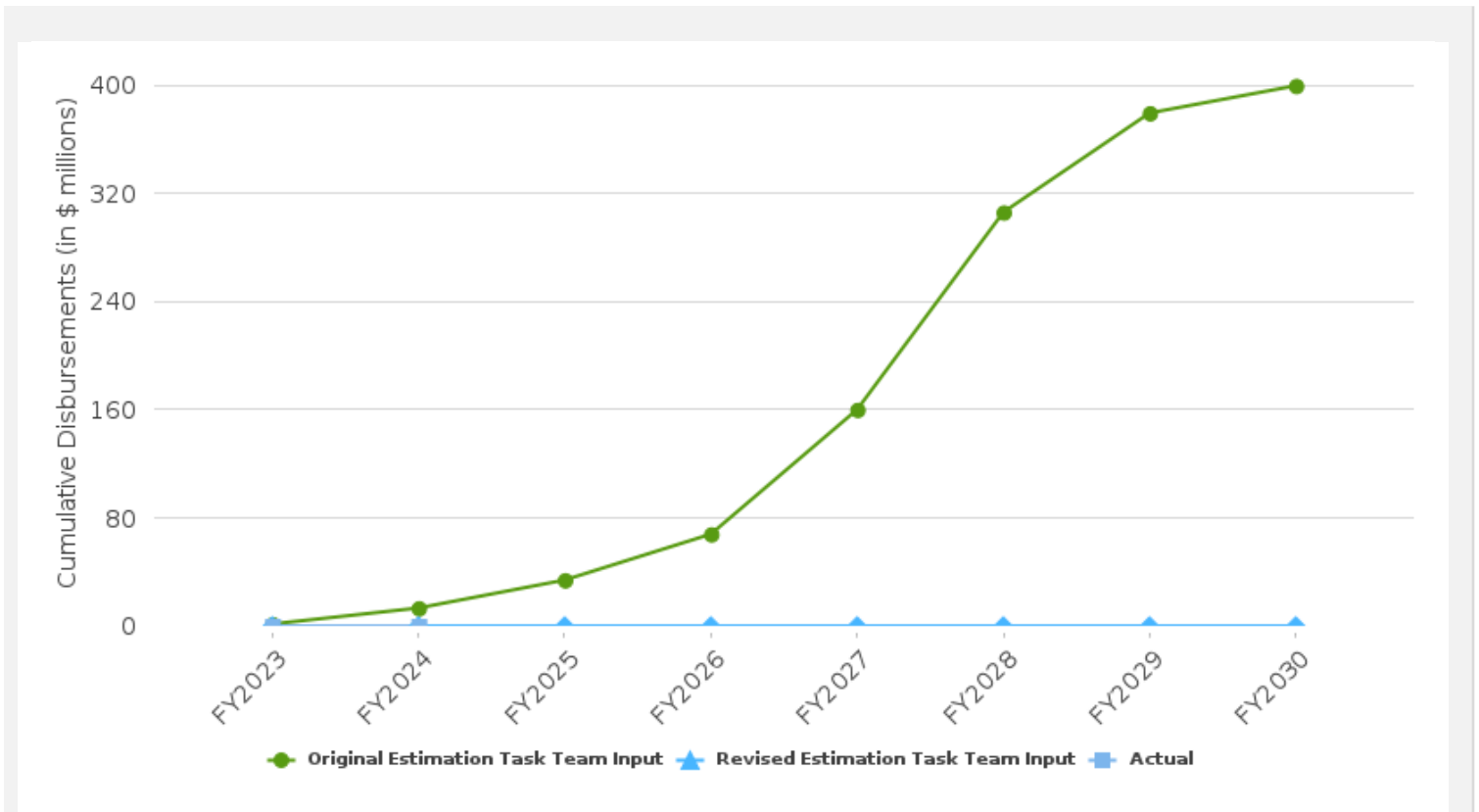
6.3 Performance Based Conditions (PBC)

PBC Name		Baseline	Actual (Previous)		Actual (Current)		Closing Period
			Value	Date	Value	Date	
1:1.7 Policy reform preparatory analysis for IAC (Yes/No)	Value	No	No	15-Jun-2023	No	15-Jun-2023	10,000,000.00
	Allocated Amount	0.00			0.00		
PBC allocation			10,000,000.00				



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IBRD-94460	Effective	400.00	400.00	0.00	1.00	399.00	0.25%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
IBRD-94460	Effective	29-Sept-2022	08-Nov-2022	14-Dec-2023	28-Sept-2029	28-Sept-2029



8. KEY DATES

Key Events	Planned	Actual
Approval	29-Sept-2022	29-Sept-2022
Effectiveness	06-Nov-2023	14-Dec-2023
Mid-Term Review No. 01	02-Nov-2026	
Operation Closing/Cancellation	28-Sept-2029	

9. RESTRUCTURING HISTORY

10. ASSOCIATED OPERATION(S)

There are no associated operations