

IJGlobal ESG Award – Transport, Africa – Egypt's Green Line

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The landmark Green Line HSR in Egypt has won the Transport ESG Award for the whole of Africa as a significant project that will have massive societal and environmental impact on the nation.

The independent panel of judges for IJGlobal ESG Awards 2023 were impressed with it, one describing it as an “impressive and transformational project in the region”.

Another judge said: “This HSR project is clearly impactful, sizeable and a transformational project in a region that needs investment. The project will deliver positive environmental and social outcomes.”

Yet another judge said: “Here we have an excellent example of what a mass transit solution can achieve – a reduction in air pollution alongside promotion of public transport in a developing country.”

The Green Line

The Green Line HSR will revolutionise the Egyptian transport sector with the construction of a high-speed electric rail network, reducing primary energy usage and overall air pollution.

The design, construction, commissioning, and operation of Egypt's first HSR system are all being handled by the National Authority for Tunnels (NAT) for Egypt.

By expanding Egypt's current transportation network and better serving communities in new urban districts where access to sustainable transport modes is currently unavailable, the Egypt HSR (also known in Egypt as the Electric Express Train) seeks to improve nationwide infrastructure.

Furthermore, the Green Line (as well as the further proposed Blue Line and Red Line) will enable the transport of local materials to industrial zones across the nation, promoting industrial growth as well as urban, tourism, and commercial development.

Since NAT Egypt is part of the Government of Egypt, it also aligns with the administration’s wider sustainability objectives and strategy.

The HSR project aligns with Objective 1 of Egypt Vision 2030 “to improve the quality of life and standard of living of the Egyptian citizens” as well as Objective 3 “to promote a competitive and diversified economy” through which job opportunities can be created.

Additionally, the project fully complies with the Egyptian government’s commitments to reduce carbon emissions and with government policies on sustainable growth, such as Egypt’s National Climate Change Strategy 2050, Sustainable



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Development Strategy: Egypt Vision 2030, Cairo Vision 2050, etc.

The Green Line is set to create more than 15,000 local jobs, will transport more than 30 million people per year. It will not only help improve quality of life and job opportunities, it will also cut carbon emissions by 70% compared to current car or bus transport.

The project

The [€1.99 billion Euler Hermes-guaranteed financing](#) to the National Authority for Tunnels finances development of the Green Line of the new Egyptian HSR network connecting the Mediterranean and Red Sea governorates of Egypt – part of the 1,985km Egypt HSR system.

This facility is a “landmark” transaction in the ECA space in Africa, while the deal itself backs 660km of track for the Green Line railway, which will transport people and goods, and is set to rank as the sixth-largest HSR system in the world. It also stands as one of the single biggest orders for Siemens.

Siemens Mobility will provide high-speed and regional trains, locomotives, rail infra and related services, under supervision of the NAT, while being guaranteed by the Egyptian Ministry of Transport.

In full 12 lenders are involved in the financing with BayernLB, Credit Agricole, Deutsche Bank and Santander acting as initial MLAs. They were joined by Commerzbank, DZ Bank, Helaba, HSBC, LBBW, Standard Chartered and UniCredit.

Crédit Agricole also served as joint co-ordinator, documentation bank and joint bookrunner. BayernLB, Deutsche Bank and Santander were bookrunners, while Deutsche Bank was also joint coordinator and environmental and social coordinator.

The facility is structured across 2 tranches, including a 19-year floating rate tranche and a 17-year fixed Africa commercial interest reference rate tranche provided by the German authorities, with refinancing structured through KfW.

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