

Egypt: The EU Bank supports the upgrading of Tanta – EL Mansoura – Damietta railway

The **European Investment Bank (EIB)** and the **Egyptian Ministry of International Cooperation (MOIC)** have signed a cooperation agreement to provide up to EUR 1.5 million of grant financing for a Feasibility Study including an Environmental and Social Impact Assessment for the Tanta – EL Mansoura – Damietta Rail project which will improve railways safety, availability and reliability of a vital rail corridor through the Nile Delta. This technical assistant grant is funded from the Economic Resilience initiative (ERI).

The subsequent EIB financing facilitated by this grant will be used for the upgrading of the 118 km Tanta – EL Mansoura – Damietta railway line. The scope of the investment will be defined during the implementation of the Feasibility Study. The upgrade includes the doubling of the section EL Mansoura-Damietta (65 km), the re-signaling of the whole line and investments in the railway stations, and potentially a freight yard and a freight link to Damietta port.

Flavia Palanza, EIB Director of Operations for Eastern and Southern Neighbourhood commented “with this new loan, the Egyptian government intends to push ahead with the upgrading and expansion of its railway infrastructure. As the European Union bank, we believe that a well-functioning railway transport network can make a vital contribution to reducing the number of cars on the roads and in this way lower pollution and mitigate climate change”.

“Transport projects have undeniable positive socioeconomic impacts. The EU is largely supporting the government of Egypt in expanding its transport infrastructure through a number of projects such as phase 3 of the third Cairo Metro line or the Alexandria Raml Tram,” said Ivan Surkoš, Ambassador of the EU to Egypt. “The current upgrade of Tanta – EL Mansoura – Damietta railway goes in line of the EU policy which aims at improving living standards of millions of Egyptian commuters using this important artery through the implementation of an enhanced quality and safe transport system. By improving access and mobility throughout the country, the EU contributes to achieving higher levels of social cohesion and engagement,” he added.

The project lies on an important railway corridor connecting Cairo to one of the major Egyptian Mediterranean ports, Damietta, and contributes to the improvement of the Egyptian railway network. It will contribute to the development of economic infrastructure, in particular transport. The development of key transport infrastructure is a prerequisite for social and economic development and a priority for the EU strategy in the country.

EIB in the region

The EIB's Economic Resilience Initiative (ERI), approved by the EU Member States in 2016, consists of an integrated package of loans, concessional finance and innovative instruments designed to enable financing of an additional EUR 15 billion of investments on top of schemes already planned.

Resilience Initiative Trust Fund (ERI TF), The Economic Resilience Initiative Trust Fund (ERIF) aims to support resilient and inclusive growth in Europe's Southern Neighbourhood and the Western Balkans. Donor contributions help to unlock investments that can create new opportunities in the regions, especially for vulnerable groups, including young people and women.