



## III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

### Project Investment Prospectus – Central Corridor SGR

#### Project Summary

<b>Project Name</b>	Central Corridor SGR: Dar es Salaam – Isaka – Mwanza and Isaka – Kigali / Keza – Gitega – Musongati / Tabora - Kigoma/Uvinza - Musongati - Gitega (with extension to Eastern DRC)
<b>Location</b>	East Africa, Multicountry (Tanzania, Burundi, DRC)
<b>Sector</b>	Transport
<b>Sub-Sector</b>	Railway
<b>Development Stage</b>	<ul style="list-style-type: none"> <li>Phase I. Lots 1 and 2: S4C - Operation</li> <li>Phase I. Lots 3 – 5: S4B - Construction</li> <li>Phase II. Lot 1 and 2 (Tanzania): Transaction Support &amp; Financial Close (S3B) / S4B - Construction</li> <li>Phase II. Lot 2 (Burundi): S3B – Financial Close / S4B - Construction</li> <li>Rwanda section (Isaka-Kigali): Feasibility Stage (S2B) Extension to DRC: S2A – Pre-feasibility (Feasibility Study ongoing)</li> </ul>
<b>Project Sponsor</b>	Ministry of Transport of Tanzania, Tanzania Railways Corporation, Ministry of Infrastructure, Equipment and Social Housing of Burundi, Ministry of Transport and Communications of the DRC, Ministry of Infrastructure, through the Rwanda Transport Development Agency (RTDA)
<b>Project Cost</b>	USD 11.78 billion (Phases I and II – Tanzania – Burundi) Extension to DRC unknown
<b>Funding Requirement</b>	There is currently a USD 1.10 billion funding gap for the Uvinza – Musongati section
<b>Project Preparation total cost</b>	Not identified at this stage
<b>Project Preparation funding gap</b>	Not identified at this stage
<b>Financing Structure</b>	<p>The project is being financed through a phased sovereign financing approach with:</p> <ul style="list-style-type: none"> <li>Multilateral development bank financing (AfDB, World Bank)</li> <li>Bilateral financing from China, Turkey, and other partners</li> <li>National budget allocations from participating countries</li> </ul>
<b>Development Timeline</b>	<ul style="list-style-type: none"> <li>Phase I - Tanzania section: Construction began in 2017, Lots 1 and 2 operational in 2025, For the remaining lots, construction progress ranges from 7.74% to 64%</li> <li>Phase II – Tabora – Kigoma: construction progress at 7.99%</li> <li>Phase II - Burundi section (Uvinza – Musongati): construction began in 2025</li> <li>DRC extensions: expected completion by 2035</li> <li>Full operational capability across all segments expected by 2036</li> </ul>
<b>Project Description</b>	Construction of an electrified standard gauge railway (SGR) along the Central Corridor connecting Dar es Salaam (Tanzania) to Gitega-Musongati (Burundi), eastern Democratic Republic of Congo and Rwanda (Kigali), establishing an efficient rail transport backbone for the region.

<b>Strategic Importance</b>	<ul style="list-style-type: none"> <li>Creation of a reliable, cost-effective, efficient, environment-friendly transport system</li> <li>Expected to cut Burundi's transport costs by up to 40% and increase transport safety and reliability, therefore, stimulating economic growth. The same benefits are expected for Eastern DRC</li> </ul> <p>Alignment with national or regional development goals:</p> <ul style="list-style-type: none"> <li>Aligned with 9 SDGs, namely number 3, 7, 8, 9 19, 11, 13, 16 and 17</li> <li>Aligned with emission reduction targets and NDCs of the Member States</li> </ul>
<b>Market Demand</b>	The SGR is expected to transport 3 Mn metric tons of minerals annually from Burundi's mining regions, and enable transit of goods from the DRC

## Financial Overview

<b>Total Project Cost</b>	USD 11.78 billion (Phases I and II – Tanzania – Burundi) Extension to DRC unknown
<b>Capital Structure</b>	Not identified at this stage
<b>Financial Metrics</b>	<p>Metrics are unavailable for the whole project. For the Uvinza – Musongati section (Phase II. Lot 2 and 3):</p> <ul style="list-style-type: none"> <li>E-IRR: 19.8%</li> <li>E-NPV: USD 2.88 Bn</li> <li>F – IRR: 6.8%</li> </ul>
<b>Revenue Model</b>	<ul style="list-style-type: none"> <li>Passenger and freight haulage revenues</li> <li>Access and usage fees (expected open-access model)</li> <li>CCTTFA in collaboration with TRC and Government of Burundi, is also exploring revenue through the emission of carbon credits</li> </ul>

## Sustainability and Impact consideration

<b>Social Impact</b>	<ul style="list-style-type: none"> <li>Generates socio-economic benefits related to job creation, and increased private participation</li> <li>Improves regional integration by facilitating cross-border cost-effective and efficient trade</li> <li>Aligns with national and regional commitments to transition to sustainable transport systems in line with NDCs, and supports CCTTFA's strategy to develop a Green Economic Development Corridor</li> <li>The shift from road to rail will result in an annual 3% reduction in fatal road accidents</li> </ul>
<b>Environmental Impact</b>	<ul style="list-style-type: none"> <li>Electric SGR produce no direct carbon emissions and are nearly emissions-free (renewable energy)</li> <li>The shift from road to rail directly contributes to the reduction of GHG emissions</li> <li>Provides a more climate-resilient alternative to road, improving logistics reliability during extreme weather events</li> </ul>
<b>SDG and Agenda 2063 Alignment</b>	<ul style="list-style-type: none"> <li>Aligned with 9 SDGs, namely number 3, 7, 8, 9 19, 11, 13, 16 and 17</li> </ul>

## Project Technical details

<b>Technology &amp; Design</b>	<ul style="list-style-type: none"> <li>SGR (1,435 mm) electrified single-track</li> <li>35 tn per axle (high load specification infrastructure)</li> <li>Design speed: 80 km/hr for freight and 160km/h (Tanzania) and 120km/h (Burundi) for passenger</li> <li>Design features include modern signalling and control systems, intermodal terminals and advanced communication systems.</li> </ul>
<b>Capacity/Size</b>	<ul style="list-style-type: none"> <li>Design capacity includes freight operations of up to 35 million tons annually and passenger capacity of 3 million journeys per year</li> <li>Dar es Sallam-Tabora-Isaka-Mwanza/Tabora-Kigoma/Uvinza-Musongati-Bujumbura: 1,850 kms / Extension Burundi-DRC: ~600km</li> </ul>
<b>Construction/Preparation Timeline</b>	<ul style="list-style-type: none"> <li>Phase I - Tanzania section: Construction began in 2017, Lots 1 and 2 operational in 2025, For the remaining lots, construction progress ranges from 7.74% to 64%</li> <li>Phase II – Tabora – Kigoma: construction progress at 7.99%</li> <li>Phase II - Burundi section (Uvinza – Musongati): construction began in 2025</li> <li>DRC extensions: expected completion by 2035</li> <li>Full operational capability across all segments expected by 2036</li> </ul>
<b>Offtake Agreements</b>	Not identified at this stage

## Key Stakeholders

<b>Sponsors</b>	<ul style="list-style-type: none"> <li>• Tanzania: Tanzania Railways Corporation (TRC), Ministry of Transport and Public Works</li> <li>• Burundi: Ministry of Infrastructure, Equipment and Social Housing, Railway Transport Regulatory Authority</li> <li>• DRC: Ministry of Transport, Communications and Opening Up</li> <li>• Regional stakeholders: CCTTFA, East African Community</li> </ul>
<b>Investors</b>	<p>Phase I:</p> <ul style="list-style-type: none"> <li>• The financing of Tanzania's SGR has been a combination of significant national public investment and diversified external funding</li> <li>• Lot 1 &amp; 2 financed via a 1.46 Bn USD ECA facility arranged by Standard Chartered with support from export credit agencies (EKF and EKN)</li> <li>• Standard Chartered also serves as the Lead Arranger for Lots 3 and 4</li> <li>• SINOSURE acts as the Lead Arranger for Lot 5</li> </ul> <p>Phase II:</p> <ul style="list-style-type: none"> <li>• Lot 1: Financing was secured through AfDB and international financiers</li> <li>• Lot 2: Uvinza-Malagarasi: AfDB is the lead arranger</li> <li>• Lot 2: Malagarasi – Musongati: AfDB and Burundi government counterpart</li> </ul>
<b>Contractors &amp; Operators</b>	Contractors: Turkish Yapi Merkezi, China Railway Construction Corporation (CRCC) Operators, TRC, Open-access model expected
<b>Legal and Financial Advisors</b>	Not identified at this stage
<b>Way forward</b>	
<b>Investment Ask</b>	USD 1.1 billion funding gap for the construction of the Uvinza–Musongati section
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Mobilization of remaining funds for Phase II</li> <li>• Completion of construction for Phase I, Lots 3-5 and Phase II</li> <li>• Completion of the studies for the expansions into the DRC</li> <li>• Mobilization of financing and construction for the expansions into the DRC</li> </ul>
<b>Contact Information</b>	To be completed by the Project Sponsor

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