Delivering Safe and Reliable Rail Mass Transit to Lagos
IFC Regional PPP Conference
November 2011
## Metro One Obvious Solution for Lagos’ Development

### LAGOS PROBLEMS

- High **poverty** and **unemployment**
- **Overconcentration** of jobs, people, and business in central business district
- Overused, **dilapidated roads & bridges**
- **Limited government funds** to maintain and upgrade municipal assets/services
- High number of **commuter injuries** due to unsafe commute conditions (6 million daily in 75,000 unregulated taxi-buses)
- **Heavy pollution** of air and water

### RAIL SOLUTION

- Direct creation of **thousands of jobs**
- Indirect creation of 10,000+ jobs
- **Spread real estate development** to north and west of city-center
- **Reduce the number of automobiles** on roads, **accidents** involving freight trucks and oil tankers, **and wear & tear** on city’s road infrastructure
- **Tax plus concession revenue** will finance state’s infrastructure objectives
- **Safe, reliable** alternative travel across the city for work or pleasure
- **Environmentally-friendly** mass-transit
Lagos Using a PPP Structure for the Initial Lines

- 7 lines planned to be built in the next 20 years
- Blue Line: 27km corridor running down middle of the 10-lane Badagry Expressway Project
- Red Line: utilizes 37km of existing Nigerian Railways Corporation (“NRC”) rail corridor
- Concession Structure:
  - Design-Build contract for rail and station construction awarded to DB Contractor and financed by the State
  - 25-year Operate & Maintain Concession to finance, install and maintain trains, signaling, communication, and ticketing systems
### Background to Blue Line

#### Blue Line details

- 27 km, all new construction (17 km at grade in Badagry Expressway, 10 km elevated to Lagos Island)
- 13 stations, 900 staff
- 300,000 passengers/day (2015); 10,000 passengers/hour
- Track and station infrastructure being procured directly by the State under a Design Build Contract
- ~$400m railway systems including trains, control systems, electric power, fare collection being procured and financed by Eko Rail under 25 year concession

#### Blue Line Timeline

- **January 2009**
  Eko Rail Consortium formed
- **July 2009**
  Submitted binding bids for Blue and Red Lines
- **December 2009**
  Eko Rail named preferred bidder for both the Blue and Red Lines
- **January 2010**
  Construction of Blue Line Design-Build infrastructure commenced
- Now finalising Blue Line Concession Agreement
- Red Line expected to follow
The Eko Rail Consortium

CONSORTIUM MEMBERS, TECHNICAL PARTNERS & ADVISORS

- GE
- Investec Capital Markets
- Larue Projects Company Ltd.
- Verod Capital Management Ltd.
- Scott Wilson
- CAF
- Steer Davies Gleave
- Udo Udoma & Belo-Osagie Barristers and Solicitors
- fcp first class partnerships

EKO RAIL EXPERIENCE

- Rail systems in each continent
- Urban mass transit systems in more than 15 countries
- 47 capital rail projects, concessions and PPPs
- 60 rail clients around the world
Unique Aspects of Eko Rail’s Solution for Lagos

- Driven by Operators, not Manufacturers
- Ensuring a “first world” environment
- Modern, proven technology
- Building an IPP for the system
- Utilizing rebuilt rolling stock
Lessons Learned

1. No two PPPs are the same
2. Full Govt buy—in and political will required
3. Sponsor must be serious and committed
4. Interface issues significant, particularly when infrastructure is separated from O&M
5. Interchanges with other transportation modes, particularly bus, is critical
6. Do your own Traffic Studies
7. Safety, safety, safety – no compromises
8. Best possible team is a must
9. Bankable concession contract!