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Urban and interurban rail transport in East Africa and the Indian Ocean region

Rail transport development is now seeing renewed interest in East Africa and the Indian Ocean region, where it is gradually emerging as a strategic lever for economic growth, regional connectivity and the shift toward more sustainable mobility. Faced with sustained population growth, rapid urbanization and rising trade flows, states in the region are turning to rail as a strategic tool for economic transformation, regional integration and transport decarbonization. Major rail corridors are now seen as structuring infrastructure, able to improve logistics competitiveness and strengthen connectivity between landlocked countries and key seaports while supporting territorial planning. In a shifting regional environment, France is strengthening its position as a partner of choice, drawing on recognized expertise, high-level industrial know-how and an integrated offer spanning the entire rail value chain.

Contrasting rail situations across the East Africa and Indian Ocean region

Various Standard Gauge Railway (SGR) projects aim to equip East Africa and the Horn of Africa with a rail network meeting international standards, under the East African Railway Master Plan adopted by the East African Community. The goal is to open up landlocked countries and cut transport costs between the major Indian Ocean ports and their hinterlands. The network is built around two main corridors. The Northern Corridor links Mombasa to Nairobi and then Kampala, with planned extensions to Rwanda, Burundi, South Sudan and eastern DRC. The Central Corridor runs from Dar es Salaam across Tanzania, with branches to Mwanza and Kigoma and planned extensions to Rwanda and Burundi. The Addis Ababa-Djibouti line has been operational since 2018 but runs at only about 20% of capacity.

Within this regional framework, national situations differ sharply. **Tanzania and Kenya stand out as the drivers of rail renewal**. Tanzania has the region's most advanced SGR, with a planned 4,700 km network across seven sections. The first two sections, Dar es Salaam-Dodoma, have been operational since July 2024 and have carried over 5 million passengers. Kenya launched construction in March 2026 on the Naivasha-Kisumu-Malaba section (371 km), an extension of the Mombasa-Nairobi line (472 km) that has run since 2017 but still posts losses, with ridership down 10.3% in 2024.

A second group of countries is pursuing major projects whose completion still hinges on securing complex financing. Uganda signed a construction contract for its SGR segment with Turkish firm Yapi Merkezi in October 2024, though the financing package is not yet finalized. Burundi, a country with no rail history, signed a USD 2.15 billion construction agreement in January 2025 for the Uvinza-Musongati section, with construction officially launched in August 2025. Rwanda is advancing its two priority corridors toward Dar es Salaam and Mombasa, though construction on its section has not yet started.

A third group includes Djibouti, which holds an 89 km segment of the Addis Ababa-Djibouti line. This 756 km line is run by two separate operators, Ethiopian Railways Corporation on the Ethiopian side and Société Djiboutienne de Chemin de Fer on the Djiboutian side. It faces cumulative losses of USD 190 million as of end-2024 and fragmented governance between two public operators with poorly defined roles. Madagascar has a century-old network that is largely out of service. Its revival depends almost entirely on the World Bank-funded Multimodal Transport and Logistics Project, worth USD 200 million, approved in April 2026..

Urban mobility, the neglected side of rail strategies

While the major interurban corridors draw most of the investment and political attention, urban rail mobility remains largely underdeveloped in the region despite rapid urbanization and growing congestion in major cities.

Kenya stands out as one of the most notable exceptions. The Nairobi Commuter Rail, covering 165 km across five lines, is drawing growing interest from international lenders. The World Bank has committed around EUR 460 million to modernize Line 2 and build new tracks, while France is funding the rehabilitation of Line 5 through a EUR 128 million Treasury loan. The network still falls well short though, with daily ridership of just 20,000 passengers, far below its potential. Mauritius is also a distinct case with the Metro Express, the Indian Ocean's first light rail system. Launched in 2019, it carries around 45,000 passengers a day but still operates at a loss. Addis Ababa has run a Light Rail Transit system since 2015, though performance remains well below projections, with only 17 of 41 trainsets in service.

Other countries in the region have no completed projects. Uganda is exploring a light tram project for Greater Kampala, signing a memorandum of understanding with Egyptian firm Orascom in March 2026, still at the feasibility study stage. Rwanda secured USD 100 million in World Bank funding in June 2025 for urban mobility in Kigali, geared toward bus rapid transit rather than rail.

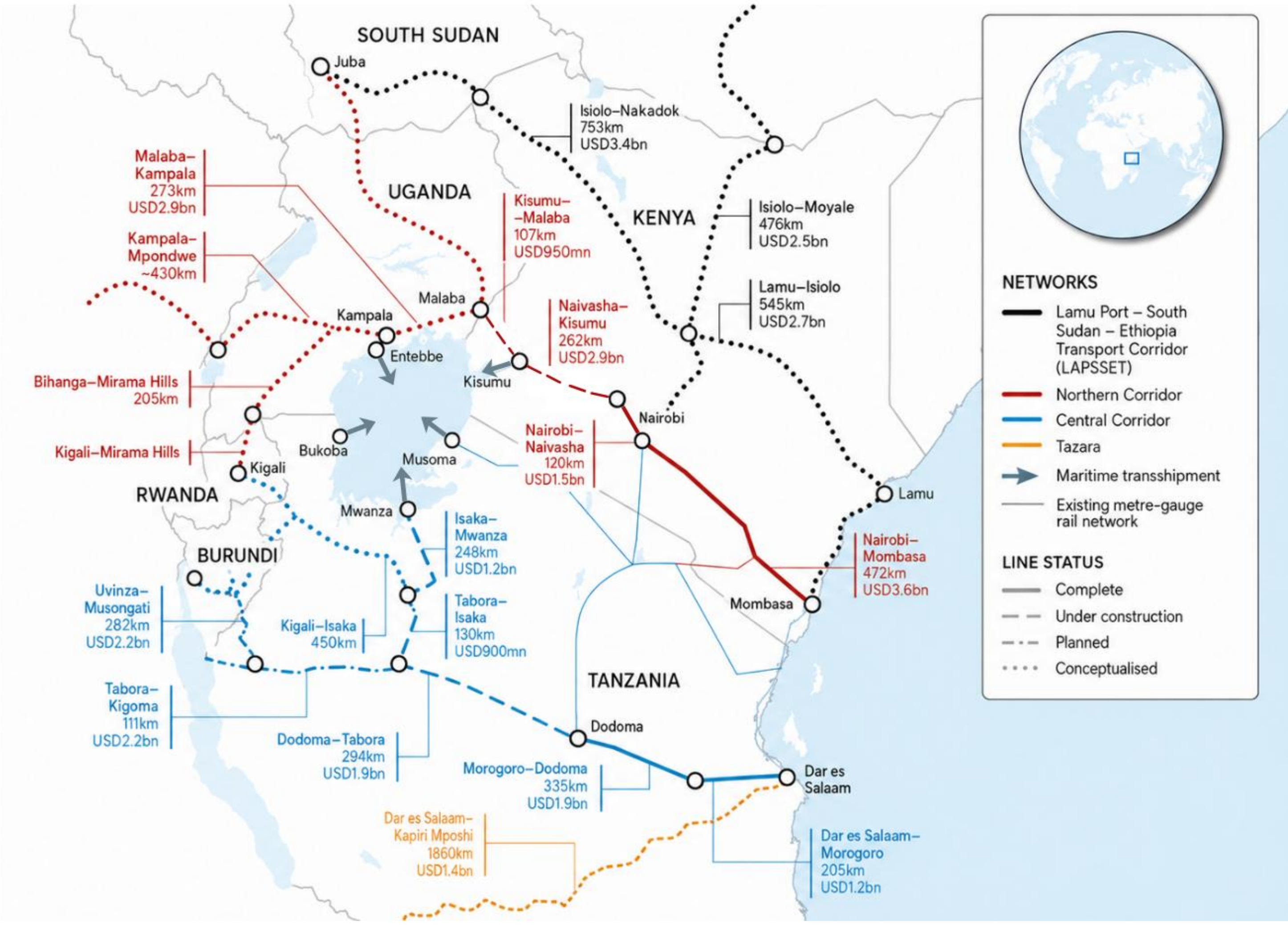
Significant funding amid complex project structuring

The region's rail renewal relies on considerable investment volumes, and mobilizing this funding remains a complex undertaking. Chinese companies and banks played a pioneering role, financing 90% of the Mombasa-Nairobi line and nearly all of the Addis Ababa-Djibouti line. This model has revealed certain limitations, including cumulated losses, limited skills transfer and dependence on spare parts. China retains a presence on several Tanzanian lots and on the Burundian project, though its dominant position from the 2010s is gradually giving way to more open competition. **Turkish companies,** notably Yapi Merkezi, **have secured the Tanzanian phases and the Ugandan contract**. Multilateral institutions (AfDB, World Bank, Islamic Development Bank) play a growing role, often alongside European export credit agencies. Several projects remain contingent on financing structures yet to be finalized. The Ugandan SGR has not finalized its financing plan despite the construction contract signature, and the Rwandan sections have not yet been put out to tender.

A reinforced French presence in strategic sectors, in support of structuring development projects

France's presence in the region's rail sector is concentrated on engineering, technical assistance and sovereign financing. The most significant project is the rehabilitation of Line 5 of the Nairobi Commuter Rail, financed by a 128 M EUR Treasury Loan. The civil works contract was signed in May 2026 on the sidelines of the Africa Forward Summit, in the presence of both heads of state, and involves UIF France, CIM and Infras**. French engineering firms are also active in the region**: Systra leads studies on the Kenyan NCR, in Ethiopia and on Mwanza's urban mobility plan in Uganda. Alstom won the signalling contracts for phases 1 to 5 of the Tanzanian SGR. AFD finances phase 5 of the Dar es Salaam BRT with 178 M EUR. **Opportunities remain in signalling, electrification, supervision systems, environmental assessment of ongoing projects and institutional capacity building for railway authorities.**

Map of the railway projects in East Africa



Source : *Oxford Analytica, retraitée par SER de Nairobi*