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ETHIOPIAN RAILWAYS CORPORATION (ERC)



RE-INVITATION FOR EXPRESSION OF INTEREST (EOI)

For Joint Development & Project Financing Partner

For Ethiopian Railways Corporation Headquarters Multipurpose Complex Building Project

Ethiopian Railways Corporation (ERC) invites qualified international developers to submit **Expressions of Interest (EOI)** with proposals for a **Joint Investment Partnership to develop a Multi-Purpose Complex Building Project** in Addis Ababa, Ethiopia. This transformative urban development project aims to create a sustainable mixed-use building complex integrating office, commercial, retail, entertainment & residential spaces with public amenities. ERC has approximately 86,294.92 m² of land at center of Addis Ababa now being utilized as the headquarter of the corporation. ERC wants to commit this land as a resource to this project as an equity contribution with the land is valued at ETB 12,450,000,000.00 (\approx USD 102,804,540.9) as per the current median market rate of the Addis Ababa City Administration Land and has already taken the initiative to design and get construction permit for the development of office, Hotel Apartment, Commercial Complex (Mall, Cinema, Dinning, Recreation Spaces,...). As per the Feasibility study done on this project all components have small cash flow requirements and high returns on investment with IRR of office building being 12.1932%, IRR of commercial hub building IRR being 16.6%, IRR of hotel apartment building being 38.1899% and IRR of residential apartment building being 27.9996%. On top of the equity contribution with the land, subject to negotiation will be ERC's additional shares within the project as a 'non-Equity contribution shares' which might include space within the office building to be transferred to ERC. All developers can bring their suggestion to the 'non-Equity contribution' percentage points which is subject to negotiation with all potential developers. ERC as government entity and considering the huge investment required ERC will offer incentives like duty free and other income tax relief, subject to negotiation with all developers. So ERC expectations from the potential co-developer is simply a company/ organization / legal person capable of arranging smart construction project financing methods including contractor financing, debt financing and other options.

1. Scope of Work

ERC aims to attract a co-developers the project by ensuring the potential co-developer can enhance ERC's ability to mobilize resources and ensure project realization by emphasizing on the following key points:

- a) **Finance and Debt Structuring for the Project:** Identify, negotiate and mobilize financing resources including strategic innovative structuring of finances and debt to support the project's cash flow requirement and smooth construction progresses in addition to effective sales management;
- b) **Manage the Sales and Commissioning of all Real-estate Components on its self:** Develop and implement marketing and sales strategies to maximize returns and ensure the successful commercialization of the project upon completion;
- c) **Sustainable Neighborhood Development In-line of the Prosperous New Addis Ababa Vision:** Create a sustainable, walk-able neighborhood featuring state-of-the-art facilities such as convention centers, offices, retail spaces, hotel and housing while ensuring vibrant, integrated community;
- d) **Adherence to City Planning Guidelines & Utilization of Existing Designs and Feasibility Study:** Leverage ERC's existing designs and feasibility studies while adhering to the city's master plan and guidelines to develop the range of facilities included in the project;

2. Eligibility Criteria: Eligible bidders must:

- Be legally registered domestically in Ethiopia or in their country of origin;
- Demonstrate financial capability or debt financing mechanism to undertake the project;
- Possess experience in project financing or co-developing;
- Have a track record of financing and delivering projects;
- Have no ongoing disputes, legal issues, or significant breaches of contract in previous projects.

3. Additional Document for Introduction to the Project for the EOI Stage

Interested bidders can be provided the bid document free of charge. The documents will be available at the Ethiopian Railways Corporation, Engineering Service Team, Block No. 10, starting **16th February 2025**, during regular working hours (9:00 AM- 2:00 PMGMT+3) Addis Ababa time.

4. Delivery Procedures:

The Expression of Interest can be delivered either in person or electronically. While every effort will be made to ensure timely delivery, the Ethiopian Railways Corporation shall not be held liable for any loss or delays in delivery.

✚For Overseas Delivery: Standard delivery will be via email or Courier services.

✚For Local Delivery: Standard delivery will be via in-person submission, email or courier services.

ERC will not be liable for any loss or delays in document delivery.

5. Expression of Interest Letter and Associated Documents Submission

Bids must be submitted in a sealed envelope clearly marked:

"Expression of Interest for Joint Development Project Financing Partner for Ethiopian Railway Corporation Headquarters Multipurpose Complex Building Project"

The envelope that carries the EIO document should be addressed to:

To: Ethiopian Railways Corporation

Attention: ERC HQ Multipurpose Complex Building Project Potential Co-Developer EOI

Address: Addis Ababa, Ethiopia

P.O. Box: 27558/1000

Street Address: Kirkos Sub-City, Woreda 10, Meshualekiya, Sierra Leone Street

Telephone: +251-114-702058/+251-114-702051

Fax: +251-114-702044

Email: erailways@erc.gov.et, bethel_erc_eng_procur@erc.gov.et

Submission Deadline: Before or on **1st April 2025, at** or before 2:00 PM (GMT+3) Addis Ababa time.

6. Contact Information

For additional information about the EOI, use the following contact information:

To: Ethiopian Railways Corporation

Attention: Engineering Procurement Team, Bethel Nigussie, Tel.. +251911735720

Address: Kirkos Sub-City, Woreda 10, Meshualekiya, Addis Ababa, Ethiopia

Telephone: +251-114-702058/+251-114-702051

Email: erailways@erc.gov.et, bethel_erc_eng_Procur@erc.gov.et

7. Important Notes

- Ethiopian Railways Corporation reserves the right to accept or reject any Expression of Interest (EOI), cancel the selection process, or reject all Expressions at anytime.
- Potential Co-Developers are responsible for any costs incurred during the preparation or submission of the EOI.
- This is an invitation to submit an EOI and does not guarantee a sub grant award.