



### Project Summary Information

Date of Document Preparation/Updating: 06/11/26

<b>Project Name</b>	Algeria Central Corridor Railway Project
<b>Project Number</b>	P001081
<b>AIIB member</b>	Algeria
<b>Sector/Subsector</b>	Transport
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To improve the competitiveness and sustainability of rail transport along Algeria's Central North–South Corridor, thereby connecting southern production areas with domestic and international markets through Mediterranean ports.
<b>Project Description</b>	<p>Algeria is transitioning from a hydrocarbon-dependent economy to a diversified, resilient one. The National Land Development Plan (SNAT) 2030 prioritizes unlocking the vast, underdeveloped southern regions, which cover over 80% of the national territory, by investing in sustainable infrastructure that connects resource-rich areas to national and international markets. Despite their potential, these southern wilayas (provinces) remain sparsely populated and economically isolated due to limited transport connectivity.</p> <p>To address these challenges, Algeria is implementing an ambitious National Railway Development Program to expand the rail network from 7,000 km to 15,000 km by 2035. The Central Corridor Railway, extending roughly 2,500 km from the Port of Algiers on the Mediterranean coast to the border with Niger, is the backbone of this strategy and is designed to unlock trade flows between Western Africa, the Mediterranean, and Asia. Within this larger corridor, the Laghouat–Ghardaïa–El Ménéa Railway Project, represents one of its five strategic sections, covering approximately 495 km of new single-track railway. By closing a critical gap in the southern segment of the corridor, this phase will catalyze regional development, enhance logistics efficiency, and progressively integrate Algeria into continental and intercontinental supply chains as southern regions have significant agricultural, mining, tourism and renewable energy potential. The Algeria Central Corridor Railway Project (the “Project”) is planned as a mixed-traffic railway for passenger and freight services and is designed with provision for future electrification and capacity expansion.</p>

	<p>The People’s Democratic Republic of Algeria (the “Borrower”) intends to finance the construction of the Project through the assistance of the African Development Bank (AfDB, the “Lead Financier”), and the Asian Infrastructure Investment Bank (AIIB), along with national funds. The Ministry of Finance of Algeria (the “Borrowing Entity”) has requested AIIB’s support to finance the Project. AIIB is expected to mobilize its financing through a single loan. This approach would support implementation continuity, provide greater flexibility in fund mobilization and disbursement sequencing, and reduce the risk of mismatches between procurement progress and financing availability.</p> <p>The Project is expected to comprise the following main components:</p> <p><b>Component A:</b> Corresponding to the two major works contracts, Laghouat – Ghardaïa and Ghardaïa – El Ménéa.</p> <p><b>Component B.1:</b> Associated consulting services, mainly covering the Project Management Consultant (PMC) and two Construction Supervision Consultant (CSC) contracts.</p> <p><b>Component B.2:</b> AIIB-Proposed Consulting Services (subject to further discussion with the Ministry of Finance (MoF)), potentially covering:</p> <ol style="list-style-type: none"> <li>1. Preparation of future critical sections of the Central Corridor;</li> <li>2. Gap-filling support for existing work packages;</li> <li>3. Targeted consulting services, where appropriate, to ensure continuity of implementation, enhance coordination across financing tranches, and maintain overall coherence.</li> </ol> <p><b>Component C:</b> Other project support and institutional activities.</p> <p>Other Project-related expenses and investments, including land acquisition and utility relocation, rolling stock, taxes, and other non-MDB-eligible expenditures.</p>
<b>Expected Results</b>	<p>(a) Freight traffic carried.</p> <p>(b) Number of passengers carried.</p> <p>(c) Average travel time saved per trip by freight using this railway link, compared to original road travel time.</p> <p>(d) User satisfaction with station facilities and services, including among women, older persons, persons with disabilities, and passengers with reduced mobility (percentage satisfied or very satisfied).</p> <p>(e) Wind–sand hazard mitigation study completed, and its key recommendations incorporated into the project design and/or implementation arrangements.</p>
<b>Environmental and Social Category</b>	A

<p><b>Environmental and Social Information</b></p>	<p><b>Applicable Policy and Environmental and Social Categorization.</b> The Project’s environmental and social (E&amp;S) risks and impacts have been assessed in accordance with AfDB’s Integrated Safeguard System (ISS), 2023. To ensure a harmonized approach to addressing the E&amp;S risks and impacts of the Project, and as permitted under AIIB’s Environmental and Social Policy (ESP), AfDB’s ISS will apply to the Project in lieu of AIIB’s ESP. AIIB has reviewed AfDB’s ISS and confirmed that it is consistent with AIIB’s Articles of Agreement and materially consistent with AIIB’s ESP, including the Environmental and Social Exclusion List (ESEL), and that the associated monitoring procedures are appropriate for the Project. AfDB has categorized the Project as Category 1 (equivalent to Category A under AIIB’s ESP), reflecting the nature, scale, magnitude, and diversity of E&amp;S impacts associated primarily with the greenfield railway development, including its linear footprint, large-scale civil works, and associated construction activities along the approximately 495 km corridor.</p> <p><b>Environmental and Social Instruments.</b> The Borrower, through ANESRIF, has prepared key E&amp;S instruments in accordance with national legislation and AfDB ISS requirements. These include Environmental Impact Assessments prepared separately for each project section, two Stakeholder Participation Plans (P3Ps), a Resettlement Action Plan (RAP) covering both sections, and an Environmental and Social Management Plan (ESMP).</p> <p><b>Environmental Aspects.</b> The Project is expected to generate positive environmental outcomes through improved transport efficiency and potential long-term reductions in greenhouse gas emissions via modal shift from road to rail. Environmental impacts associated with the new railway corridor traversing predominantly desert and semi-arid environments will include both construction and operation impacts. Key construction-phase risks include changes in local topography, as well as disruption of fauna movement patterns. Additional risks include soil erosion, sand movement, potential pollution of soil, surface water, and groundwater from construction activities. During operation, environmental impacts are expected to be more limited but may include noise and vibration, potential long-term fragmentation of grazing routes, and continued management of sand encroachment and vegetation along the corridor. Overall, the ESMP provides the framework for mitigation, monitoring, and management of these impacts throughout construction and operation.</p> <p><b>Social and Gender Aspects.</b> The Project is expected to generate significant socio-economic benefits, including job creation, stimulation of local economic activity, and improved connectivity between. Social risks primarily related to land acquisition and economic displacement. Impacts may include potential loss of agricultural land, reduced access to grazing areas, and disruption of traditional livelihood patterns. These impacts will be managed through a Resettlement Action Plan, which provides for compensation at replacement cost, livelihood restoration measures, and continued stakeholder</p>
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engagement. Overall, physical displacement is expected to be limited for the Project. The Project will also promote inclusive social benefits through improved access to services, markets, and employment opportunities. Gender considerations will be integrated into project implementation, particularly in relation to employment opportunities during construction, participation in consultations, and access to project-related economic opportunities. Attention will also be given to ensuring that benefits are accessible to vulnerable groups, including women and youth.

**Occupational Health and Safety (OHS), Labor and Employment Conditions.** The Project presents typical occupational health and safety risks associated with large-scale railway construction in remote and harsh environmental conditions. These include risks related to operation of heavy machinery, earthworks, exposure to dust and noise, handling of hazardous materials and fuels, working near moving equipment, and exposure to extreme temperatures in desert environments. These risks will be managed through contractor-specific occupational health and safety plans, mandatory use of personal protective equipment, structured training programs, supervision systems, and emergency preparedness and response measures. Labor and employment conditions will be governed by applicable national labor laws and contractual requirements embedded in the ESMP. These include provisions on non-discrimination, fair wages and labor and working conditions, and respect for workers' rights. Worker awareness programs and site-level supervision will support compliance throughout construction.

**Stakeholder Engagement, Consultation and Information Disclosure.** Stakeholder consultations were conducted during project preparation with relevant government authorities, local representatives, civil society organizations, and project-affected persons. These consultations provided an opportunity to present the project scope, discuss potential environmental and social impacts, and incorporate stakeholder feedback into project design and mitigation planning. Stakeholder engagement activities will be guided by the Stakeholder Participation Plans (P3Ps), which define engagement approaches, communication methods, and feedback mechanisms for ongoing consultation. E&S instruments have been disclosed in accordance with AfDB requirements and are available on their website.

<https://www.afdb.org/en/documents/algerie-programme-de-construction-des-nouvelles-lignes-ferroviaires-laghouat-ghardaia-et-ghardai-el-menea-p-dz-dc0-003>).

**Project Grievance Redress Mechanism (GRM).** A project-level Grievance Redress Mechanism (GRM) has been established to receive and address concerns related to environmental, social, labor, and community impacts. The GRM provides accessible channels for lodging complaints and ensures timely resolution through a structured escalation

	<p>process. The GRM will be widely communicated to affected communities and stakeholders throughout project implementation.</p> <p><b>Project-Affected People’s Mechanism (PPM).</b> The Project will be co-financed with AfDB. AIIB will rely on AfDB’s determination regarding compliance with its policies and procedures, as well as on AfDB’s independent accountability mechanism for addressing complaints related to environmental and social issues under the Project. In line with AIIB’s Policy on the Project-affected People’s Mechanism (PPM), submissions relating to the Project’s environmental and social aspects will therefore not be eligible for consideration under AIIB’s PPM, as the Project is subject to reliance on AfDB’s accountability framework.</p> <p><b>Monitoring and Reporting Arrangement.</b> The Project Management Unit (PMU) will be responsible for overall monitoring of project implementation, including environmental and social performance. The PMU will conduct regular site inspections and prepare periodic E&amp;S monitoring reports in accordance with agreed reporting formats. AfDB will take the lead in supervising the Project in accordance with its ISS requirements, while AIIB will participate in joint supervision missions in coordination with AfDB to review implementation progress and address key E&amp;S issues. The Borrower will ensure adequate staffing and resources for E&amp;S management, including environmental, social, and occupational health and safety specialists within the PMU and supervision structures.</p>
<b>Cost and Financing Plan</b>	<p>Total Project cost: USD 3000 million  AIIB: USD 700 million  Lead MDB Financier Financing Amount: USD 1785 million  Government of Algeria: USD 515 million</p>
<b>Borrower/Investee Company/Counter party/Guaranteed entity</b>	<p>People’s Democratic Republic of Algeria</p>
<b>Guarantor</b>	<p>Not Applicable</p>
<b>Implementing Entity/Sponsor</b>	<p>National Agency for Studies and Monitoring of the Implementation of Railway Investments (ANESRIF)</p>
<b>Estimated date of loan closing (SBF)</b>	<p>6/30/2031</p>

<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization/Sponsor</b>
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<b>Date of Concept Decision</b>	June 11, 2026		
<b>Estimated Date of Appraisal Decision</b>	Q3 2026		
<b>Estimated Date of Financing Approval</b>	Q4 2026		

<b>Independent Accountability Mechanism</b>	<p><b>Project-Affected People's Mechanism (PPM).</b> The Project will be co-financed with AfDB. AIIB will rely on AfDB's determination regarding compliance with its policies and procedures, as well as on AfDB's independent accountability mechanism (<a href="https://irm.afdb.org">https://irm.afdb.org</a>) for addressing complaints related to environmental and social issues under the project. In line with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions relating to the project's environmental and social aspects will therefore not be eligible for consideration under AIIB's PPM, as the project is subject to reliance on AfDB's accountability framework.</p>
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