Early Warning System

AIIB-001081

Algeria: Central Corridor Railway Project

Quick Facts

Countries	Algeria
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	A
Borrower	People's Democratic Republic of Algeria, Sarra Bouras
Sectors	Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 700.00 million
Loan Amount (USD)	$ 700.00 million

Project Description

According to bank provided information, the project onjective is 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.

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.

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-Ghardaia-El Menea 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.

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.

The Project is expected to comprise the following main components:

1. Component A:Corresponding to the two major works contracts, Laghouat - Ghardaia and Ghardaia - El Menea.
2. Component B.1: Associated consulting services, mainly covering the Project Management Consultant (PMC) and two Construction Supervision Consultant (CSC) contracts.
    - Component B.2: AIIB-Proposed Consulting Services (subject to further discussion with the Ministry of Finance (MoF)), potentially covering:
        - Preparation of future critical sections of the Central Corridor;
        - Gap-filling support for existing work packages;
        - Targeted consulting services, where appropriate, to ensure continuity of implementation, enhance coordination across financing tranches, and maintain overall coherence.
3. Component C: Other project support and institutional activities.

Other Project-related expenses and investments, including land acquisition and utility relocation, rolling stock, taxes, and other non-MDB-eligible expenditures.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Contact Information

BORROWER

People’s Democratic Republic of Algeria

Sarra Bouras

Head of the Office for AIIB, EBRD, and EIB Affairs

sarra.bouras@mf.gov.dz

IMPLEMENTING ENTITY

National Agency for Studies and Monitoring of the Implementation of Railway Investments (ANESRIF)

Azeddine Barar

Director of Railway Electrification

barar.azeddine@anesrif.dz

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Project Summary (June 11, 2026) [Original Source]