



Project Summary Information

Date of Document Preparation: June 26 2026	
Project Name	Multimodal Transport and Logistics Project
Project Number	P000965
AIIB member	Madagascar
Sector/Subsector	Transport
Status of Financing	Under Preparation
Objective	The objective of the project is to strengthen Madagascar's connectivity with global markets—particularly Asia, its primary trade partner—by enhancing the efficiency, reliability, and climate resilience of key international transport and logistics corridors.
Project Description	The project aims to achieve its development objective through : (i) salvaging the northern railway network from ceasing operations to ensure a transport alternative remains to complement the strained national road between Tananarive and Tamatave (RN2 corridor); (ii) ensuring continuity of operations in the ports of Tulear and Majunga as well as restoring normal conditions of operations in the Pangalanes – RN12 corridor (to Fort-Dauphin), (iii) ensuring regional airports meet international safety standards, and (vii) supporting institutional reforms to modernize the transport sector. AIIB will jointly co-finance the project with the World Bank's International Development Association.
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization. The Project will be co-financed with the World Bank (WB). To support a harmonized approach to addressing Environmental and Social (ES) risks and impacts, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB Environmental and Social Framework (ESF) and relevant Environmental and Social Standards (ESSs) will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the WB ESF and ESSs and is satisfied that they are consistent with the Bank's Articles of Agreement and materially aligned with AIIB's ESP, including the Environmental and Social Exclusion List (ESEL), and that appropriate monitoring procedures are in place. WB has classified the Project as High ES risk, due to the nature, scale, and potential significance of the ES impacts. Accordingly, the Project is considered equivalent to Category A under AIIB's ESP. The Bank's due diligence has confirmed that this Project and relevant ES

documentation are materially consistent with AIIB's ESP. No Indigenous Groups have been identified within the Project's area.

Environmental and Social Instruments. The following ES instruments, proportionate to the Project's anticipated risks, have been prepared by the client, consulted upon, and disclosed prior to appraisal: (i) Environmental and Social Commitment Plan (ESCP); (ii) Stakeholder Engagement Plan (SEP); (iii) Environmental and Social Management Framework (ESMF) for assessing and managing ES risks and impacts of sub-projects, including procedures for screening, assessment, mitigation, and monitoring. The ESMF includes specific guidance for managing potential impacts related to drainage infrastructure, solid waste management facilities, and land regularization activities; (iv) standalone Sexual Exploitation and Abuse/Sexual Harassment action plan; (v) Resettlement Framework (RF) given the potential for land acquisition and physical or economic displacement; and (vi) Labor Management Procedures. In addition, the following site-specific instruments would be prepared during project implementation, and are reflected in the ESCP: (i) Environmental and Social Management Plan (ESMP), including Biodiversity Management Plans where necessary, and Environmental and Social Impact Assessments (ESIAs), as needed, based on the ESMF; (ii) Resettlement Plans and/or Livelihood Restoration Plans, as needed, based on the RF; and (iii) Cultural Heritage Management Plans, as needed, in accordance with ESMF provision

Environmental Aspects: The Project's main activities will include the rehabilitation of existing critical multimodal transport infrastructure (without extension) which are in urban, rural areas and modified habitats. The Project confirms that the railway rehabilitation for the existing Tananarive–Toamasina (TCE) is located adjacent to the protected area, but it is outside of its buffer zone and does not affect the Protected Area Management Plan. The other parts along TCE railway line will include riparian forests and savannas but they are not protected areas and the rehabilitation of an 11 km section of the Tananarive-Antsirabe (TA) railway line is mostly located in urban areas. The rehabilitation of Majunga and Tulearports will be on the existing quay areas and container terminals with no dredging works, and the rehabilitation of three airports will improve security and navigating equipment, construction of fences and enhancing runways and passenger terminal with no extension. The rehabilitation works along the southern part of the Pangalanes Canal such as small scale-spot dredging and manual weed cutting are in rural settlement area and in agricultural land, and not in protected areas. These interventions present several environmental impacts and risks, including:(i) increased levels of dust, noise, and odors contributing to air pollution as well as water pollution from construction and hazardous waste (earth materials, vehicles used oils etc.) which will have adverse impacts on flora and fauna and human health; (ii) OHS risks for workers; (iii) road and waterway safety concerns for the public and surrounding community due to construction activities, (iv) increased turbidity affecting aquatic

habitats during canal dredging; (v) management of 'natural' dredged materials from the Canal. Rehabilitation of the railway, ports, airports rehabilitation pose operational impacts and risks as well, such as from the right-of-way maintenance, fuel and wastewater management, ballast water management (for ports), traffic and transport safety, pedestrian safety crossing the railway, transportation of dangerous goods for ports and railway, port and airport security, communicable disease transmission and occupational hazards such as electrical, electromagnetic, fatigue, and rolling stock maintenance. These construction and operation phase impacts have been covered in the ESMF. As the detailed technical designs are not yet available at the appraisal phase, the Project has prepared a draft Environmental and Social Management Framework (ESMF) covering the entire Project. The site-specific ESMPs, ESIAs (including biodiversity management aspect) will be prepared during implementation stage. The ESMF includes a biodiversity and natural habitat screening and assessment process for all activities, including the preparation of a Biodiversity Management Plan for the TCE railway line and canal dredging. These instruments will be submitted to the Bank for approval and disclosed prior to the launching procurement processes for the related work and activities. The Contractor will be required to prepare standalone Contractor's Environmental and Social Management Plan (C-ESMP), including a Traffic Management Plan and Occupational Health and Safety (OHS) measures and other necessary plans. In addition, environmental, social, health, and safety (ESHS) requirements will be incorporated into the bidding documents to ensure that contractors are adequately resourced to implement them.

Social Aspects. The main social risks and impacts, assessed as substantial, relate to involuntary resettlement, including physical and economic displacement under Component 1 on modernization of railway infrastructure due to existing encroachment within the railway right-of-way (ROW), as well as potential livelihood disruption associated with activities along the canal and port areas under Component 2, which may also affect access to income-generating opportunities for local communities. Preliminary assessments indicate that approximately 900 households may be affected by the Project, including around 80 households potentially requiring physical or economic displacement due to permanent land acquisition. Livelihood impacts may also affect farmers, herders, and around 130 fisherfolk. A draft Resettlement Framework (RF), including an entitlement matrix defining eligibility criteria and compensation principles, has been prepared to guide the management of land acquisition, resettlement, and livelihood impacts in accordance with WB's ESF including compensation at replacement cost. Resettlement Plans (RPs) for activities under Component 1 are currently being prepared in line with the RF and WB's ESS5 and will be finalized and disclosed prior to the relevant bidding processes. Compensation and mitigation measures will be implemented before the start of works in affected areas. Additional site-specific RPs or Livelihood Restoration Plans (LRPs), as needed, will be developed once technical studies are completed and impacts are confirmed. Additional

substantial risks relate to community health and safety, including risks of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) associated with labor influx, worker-community interactions, and potential power imbalances affecting vulnerable groups, particularly women and girls. The PCU has developed a draft standalone SEA/SH Action Plan which is expected to be finalized no later than three months after project effective date.

Occupational Health and Safety (OHS), Labor and Working Conditions (IWC). Project workers may face risks of accidents, injuries, and exposure to hazardous working conditions due to inadequate OHS practices and oversight. Additional risks include traffic-related incidents, poor emergency preparedness, and exposure to communicable diseases. The corresponding mitigation measures will be included in the ESMPs and their compliance will be strictly requested to the contractors. The contractors will develop an OHS management plan as part of the Contractor-ESMP. Labor and employment risks include non-compliance with labor laws and requirements, weak management of contractors and subcontractors, limited access to worker grievance mechanisms, and risks of labor and working conditions, and SEA/SH. To manage these risks, the Project has prepared draft Labor Management Procedures (LMP) identifying key labor-related risks and measures to promote fair and voluntary labor practices, protect workers' health and safety, and mitigate SEA/SH risks. The LMP also includes measures to guarantee labor and working conditions, establishes a worker grievance mechanism, and defines the roles and responsibilities of contractors, the PCU, and the Technical Implementation Units (TIUs). The draft LMP is expected to be finalized no later than three months after the Project's effective date. Contractors will be required to prepare labor management procedures consistent with the Project LMP and acceptable to the World Bank and AIIB. Contractors will also be responsible for ensuring that all workers are informed of their terms of employment, remuneration, codes of conduct including SEA/SH provisions, grievance mechanisms, and other relevant provisions in line with WB's ESS2 and applicable national legislation.

Stakeholder Engagement, Consultation and Information Disclosure: Key stakeholders include communities located near project sites (including railway corridors, ports, canal areas, and airports), transport sector workers, relevant government ministries and agencies, public and private sector operators, civil society organizations (CSOs), and disadvantaged or vulnerable groups, including those affected by poverty, gender inequality, disability, or remoteness. Consultations were undertaken in 2021 and August 2025, during which stakeholders raised concerns related to the valuation process, compensation for informal users, and SEA/SH risks associated with the railway activities. The ESCP and SEP including a project-level Grievance Redress Mechanism have been [disclosed](#) by the WB prior to appraisal. The SEP also includes mechanisms to communicate environmental and social risks associated with the Project, obtain stakeholder

	feedback on these risks, and gather feedback on Project results and implementation through perception and feedback surveys. The draft ES developed and disclosed on February 4, 2026 by the client. The available instruments will be disclosed accordingly on AIIB's website in accordance with ESP requirements. Project Grievance Redress Mechanism (GRM): The GRM will follow a three-tier structure, comprising local, regional, and central-level grievance mechanisms, with multiple channels for submitting grievances, including in person, by telephone, email, and grievance boxes. The GRM will be culturally appropriate and accessible to all project-affected parties, free of charge and without retaliation, and will allow for anonymous submissions. It will also include measures to confidentially receive, record, and address SEA/SH-related complaints. The information about established GRM will be timely disclosed in an appropriate manner. Monitoring and Reporting Arrangement. The Ministry of Transport and Meteorology (MTM) has overall responsibility for implementing the Project and will provide oversight, continuous monitoring and technical supervision of all activities. Dedicated ES specialists in each Project Technical Unit (PTU) will oversee compliance and monitoring. During implementation, ES performance will be monitored through quarterly reporting, joint site visits, and corrective action where required. The ESCP defines key commitments, milestones, and reporting obligations aimed at enabling effective management of ES risks and impacts throughout implementation. AIIB will (i) undertake semi-annual review missions to assess implementation progress and identify and address key issues; (ii) convene periodic review meetings to monitor progress; and (iii) carry out technical site visits as necessary.
Cost and Financing Plan	Total Project Cost: USD 305 million Financing Plan: WB IDA: USD 200 million AIIB loan: USD 100 million Private sources: USD 5 million
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of Madagascar

Guarantor	Republic of Madagascar			
Implementing Entity/Sponsor	Ministry of Transport and Metrology, Madagascar			
Estimated date of loan closing (SBF)	30th June 2031			
Contact Points:	AIIB	WORLD BANK	Borrower	Implementation Organization/Sponsor
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Date of Concept Decision	20th January 2025			
Estimated Date of Appraisal Decision	8th July 2026			
Estimated Date of Financing Approval	Q3 2026			
Independent Accountability Mechanism	The proposed Project will be co-financed with the World Bank (WB). The Bank has agreed that the WB's ES policies and procedures will apply to this Project. Pursuant to the agreement with the WB, the WB's independent accountability mechanism (IAM), Inspection Panel, will handle submissions relating to ES issues under the Project. Consequently, in accordance with the Bank's Policy on Project-affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. Information on WB's Inspection Panel is available at http://www.inspectionpanel.org .			