

Executive Summary

The Project is a proposal to provide a sovereign-backed loan equivalent to USD75 million to the Republic of Togo for the Logistics and Transport Systems Improvement Project (PASLT), jointly co-financed with the World Bank. The Project aims to improve climate-resilient connectivity to high-potential agricultural regions and enhance urban mobility and logistics systems efficiency in the Greater Lomé Metropolitan Area. The Project supports Togo's national objective of consolidating its position as a regional logistics and services hub for West Africa, as articulated in the Government Roadmap Togo 2025, while fostering economic transformation, regional integration, trade competitiveness and job creation.

The Project is designed to address critical bottlenecks in transport and logistics infrastructure that constrain access to markets, increase transport costs and reduce the efficiency of freight and passenger movements. It will finance strategic investments in railway connectivity between the Autonomous Port of Lomé (PAL) and the Adétikopé Industrial Platform (PIA), urban mobility and city-port integration initiatives in Greater Lomé, and the upgrading of road infrastructure serving productive agricultural zones. The Project will also strengthen institutional capacity in transport planning, logistics management, road safety, climate resilience and asset management, thereby improving the long-term sustainability of the sector. By improving connectivity between the port, industrial zones and agricultural production areas, the Project will support regional trade flows and reinforce Togo's role as a gateway for landlocked countries in the Sahel.

The Project is aligned with AIIB's Strategy on Financing Operations in Non-Regional Members, the Transport Sector Strategy and the Sustainable Cities Strategy. Furthermore, it contributes to AIIB's thematic priorities of Green Infrastructure, Connectivity and Regional Cooperation, and Technology-enabled Infrastructure. To provide a harmonized approach to addressing environmental and social risks and impacts, and as permitted under AIIB's Environmental and Social Policy (ESP), the World Bank's Environmental and Social Framework (ESF) will apply to the Project in lieu of AIIB's ESP. The Project has been assessed as having High environmental and social risks under the World Bank's ESF and is classified as Category A under AIIB's ESP. Further details are provided in the Project Document

Project No. and Name	P001063 Transport Connectivity and Logistics Improvement Project		
AIIB Member	Togo		
Borrower	Republic of Togo		
Guarantor	Republic of Togo		
Project Implementation Entity	Ministry of Transport, Rural Access and Feeder Roads		
Proposed AIIB financing (USDm)	USD75.00	Instrument type/subtype	Loan/Direct Sovereign
		Currency of financing requested	Euro
Sector (Subsector)	Transport (Multimodal logistics)	E&S Category and Comments (if any)	A, World Bank ES policy applies
Project Objective	The Project enhances climate resilient road access in targeted high-potential agriculture zones, efficient logistics and urban mobility in Greater Lomé.		
Project Description	Togo's strategic location and the Port of Lomé provide a strong platform to further consolidate the country's role as a regional trade and logistics hub. Realizing this potential will require addressing key infrastructure and institutional constraints, including limited hinterland and rural connectivity, congestion around the port-city interface, accessibility between the PAL and the PIA and capacity limitations in the transport sector. Over the longer term, climate change is expected to intensify flooding, extreme rainfall, and heat stress, underscoring the need for more resilient transport infrastructure and maintenance systems. By addressing these constraints, the Project will help reduce logistics costs, improve market access for agricultural producers, improve mobility conditions within GLMA, strengthen regional connectivity, and enhance Togo's competitiveness and resilience. The Government of Togo has requested AIIB's financing to support the Transport Connectivity and Logistics Improvement Project, with the World Bank (WB). The project comprises the following components: i) Upgrade of the existing rail link between the Autonomous Port of Lomé (PAL) and the Adétikopé Industrial Platform (PIA) to enable modal shift of truck cargo from road to rail. ii) Port city integration and urban mobility improvement works to rehabilitate urban roads, improve access to PAL, urban traffic management, and sustainable, safe and inclusive urban transport services'		

	iii) Rehabilitation/Upgrade to climate resilient standards of secondary roads and logistics infrastructure in four selected regions of Togo to facilitate access to local and international markets via the PAL. iv) Support for implementation and capacity building to key ministries and agencies to better manage roads, railways and transport services.		
Implementation Period	Start Date: October 01, 2026 End Date: June 30, 2031	Expected Loan Closing Date	June 30, 2031
Co-financing type	Co-financing led by another financier	Following other Financier's E&S Policy?	Yes
Lead financier	World Bank Group	Following other Financier's Procurement Policy?	Yes
Financing Plan	The overall project cost is USD 385 million. AIIB is contributing with USD 75 million, WB with USD 200 million, EIB with USD 90 million and USD 20 million from the private sector.		
Policy Assurance	The Project has passed a policy compliance review. No derogation or exception to the Bank's operational policies is required.		

Risk	
Key Risks	Mitigation Measures
Due to a lack of staffing capacity, absence of adequate FM procedures and accounting software, there is a risk that project accounting and reporting will not be satisfactory.	MTDPR will recruit additional FM staff for the PISU, arrange the development of a POM with detailed FM chapters, and procure accounting software. Please refer to the FM paragraphs for further details.
Government capacity is constrained in terms of inter-agency coordination and implementation	The PISU is interministerial with a large delegation of technical activities to the relevant line ministries. Some of the PISU staff will come from the current PISU under the WB-funded PCE-LON project.

Insufficiency in the quality of the design	Under Component 1, the technical design is elaborated by a renown international firm, with oversight from WB and AIIB technical teams Under Component 3, the quality of the design for the sections envisaged for financing by MCDF will be reviewed by WB/AIIB technical teams. The same will apply under Component 2.
Key procurement risks include limited familiarity with MDB procurement procedures, weak institutional capacity and a shortage of qualified procurement professionals, inadequate inter-ministerial coordination, political interference in procurement decisions, and slow decision-making resulting in procurement delays.	Procurement will be carried out in accordance with World Bank procedures, which incorporate robust oversight, transparency, and accountability mechanisms. The PISU will be staffed with experienced and highly qualified procurement specialists to ensure the efficient and compliant implementation of procurement activities. The development of a Project Operations Manual will help standardize, streamline, and strengthen the monitoring and management of procurement processes.
Risk of violent extremism and cross-border incursion of terrorists' groups from the Sahel in the Northern Togo (Savanes Region)	A SRA and SMP will be prepared by the PISU for the activities in the Savanes region.
Substantial ES risks during construction	All environmental and social risks are expected to be addressed by the adoption of appropriate E&S instruments in accordance with WB's ESF before construction starts as per negotiated ESCP. If during post loan approval, the ESIA or social audit reports reveal that the risk is too high; the source of risk will be identified and risk mitigation hierarchy will be applied (avoid, minimize, mitigate and compensate) as agreed by the co-financiers and the client. In case, the residual risk is still unacceptable, there would be a possibility to exclude the activity from AIIB financing and reallocate this component as per Loan Agreement.
ECap	18.39USDm 24.52%

Strategic Alignment	
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure; Private Capital Mobilization
Alignment with AIIB's strategies	Strategy on Financing Operations in Non-regional Members; Transport Sector Strategy; Sustainable Cities Strategy

Key Outcomes			
Indicator	Unit of measure	Baseline (Year)	Target (Year)
ZAAPs connected with all-season road access	Number	0 (2026)	40 (2031)
Direct users that benefit from improved access to sustainable transport infrastructure and services	Number (in thousands)	0 (2026)	400 (2031)
Transport costs between the PAL and the PIA (for 20ft container)	USD	7 (2026)	2.5 (2031)

Climate Action		
Climate Finance	Adaptation Finance (USDm)	USD14.8725
	Mitigation Finance (USDm)	USD24.8775
	Dual Benefit (USDm)	USD6.2475
	Total (USDm)	USD39.7500

Other Key Financing Requirements	
Conditions of Effectiveness	(a) The establishment of a project management implementation support unit within MTDPR with terms of reference, composition, and resources acceptable to the Bank and the Co-financier; (b) The preparation of a project operations manual ("Project Operations Manual" or "POM"), in form and substance acceptable to the Bank and the Co-financier; (c) The execution of the co-financing Agreement between the Co-financier and the Borrower, with all conditions precedent to its effectiveness (other than the effectiveness of this Loan Agreement); and (d) The execution of the project Co-lenders' Agreement between the Bank and the Co-financier, and all conditions precedent to its effectiveness (except for the effectiveness of this Loan Agreement).

Key Conditions for 1st Disbursement	Not applicable
Key Covenants	(1) Establishment within 1 month of effectiveness, and maintenance throughout Project implementation, of the Project Steering Committee; (2) Establishment within 1 month of effectiveness, and maintenance throughout Project implementation, of the Project Technical Committee; (3) Execution of the Delegated Management Agreement, within 1 month of effectiveness, between MTDPR and MTPI; (4) Execution of the Railway Concession Agreement

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**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

11 September, 2026

Sovereign-backed Financings

Approval Project Document

P001063 Togo: Transport Connectivity and Logistics Improvement Project

Currency Equivalents

As of June 30, 2026

Currency Unit – USD & XOF (West African CFA franc)

USD1.00 = XOF575

EUR1.00 = XOF655.957

Client Fiscal Year

January 1 – December 31

Abbreviations

AIIB	Asian Infrastructure Investment Bank
CFA	West African Franc, also abbreviated as XOF
DED	Detailed Engineering Design
EIB	European Investment Bank
EIRR	Economic Internal Rate of Return
ENPV	Economic Net Present Value
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESDD	Environmental and Social Due Diligence
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EUR	Euro
FM	Financial Management
FS	Feasibility Study
GBV	Gender-based violence
GDP	Gross Domestic Product
GFPP	Grant Facility for Project Preparation
GHG	Greenhouse Gas
GLMA	Greater Lomé Metropolitan Area
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IBAT	Integrated Biodiversity Assessment Tool
IFC	International Finance Corporation
IFR	Interim Financial Report
IT	Information Systems
KYC	Know Your Counterparty
LMP	Labor Management Procedures
MCDF	Multilateral Cooperation Center for Development Finance
MDB	Multilateral Development Banks
MFB	<i>Ministère des Finances et du Budget</i> – Ministry of Finances and Budget
MTDPR	<i>Ministère des Transports, du Désenclavement et des Pistes Rurales</i> – Ministry of Transport, Rural Access, and Feeder Roads
MTPI	<i>Ministère des Travaux Publics et des Infrastructures</i> – Ministry of Infrastructure and Public Works
M&E	Monitoring and Evaluation

NDC	Nationally Determined Contributions
NPV	Net Present Value
O&M	Operation and Maintenance
PAA	Paris Agreement alignment
PAL	<i>Port Autonome de Lomé</i> – Autonomous Port of Lomé
PDS	Project Delivery Strategy
PIA	<i>Plateforme Industrielle d'Adétikopé</i> – Adétikopé Industrial Platform
PISU	Project Implementation Support Unit
POM	Project Operations Manual
PPP	Public Private Partnership
PSC	Project Steering Committee
RAP	Resettlement Action Plan
RN1	National Road 1
SAFER	<i>Société Autonome de Financement de l'Entretien Routier</i> – State Road Fund
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SFW	Special Fund Window
SH	Sexual Harassment
SUMP	Sustainable Urban Mobility Plan
SYCEBNL	<i>Système Comptable des Entités à But Non Lucratif</i> – the accounting system for non-profit entities
ToR	Terms of Reference
USD	United States Dollar
XOF	West African Franc, also abbreviated as CFA
WAEMU	West African Economic and Monetary Union
WB	World Bank
ZAAP	<i>Zones d'Aménagement Agricole Planifiées</i> – Planned agricultural development zones

Table of Contents

1. Context.....	1
A. Overview	1
B. Key Development Challenges	2
2. Rationale	5
A. Project Development Objective	5
B. Direct Beneficiaries and Results	5
C. Strategic Fit and Value Additionalities	6
D. Lessons Learned	10
3. Project Description.....	11
A. Project Structure, Cost and Financing Plan	11
B. Implementation Arrangements and Readiness	16
4. Project Assessment.....	19
A. Technical.....	19
B. Economic and Financial Analysis	20
C. Fiduciary and Governance	22
D. Environmental and Social.....	25
E. Climate Change	29
F. Gender Aspects.....	30
G. Risks and Mitigants.....	31
Annex 1: Results Monitoring Framework	33
Annex 2: Project Economic and Financial Analysis.....	35
Annex 3: Environmental and Social	38
Annex 4: Climate Change Assessment.....	40
Annex 5: Gender Equality and Social Inclusion.....	42
Annex 6: Member Credit Fact Sheet	44
Annex 7: Implementation Readiness Checklist.....	45

1. Context

A. Overview

1.1 Member and Macroeconomic Overview: Togo is a coastal West African country with an estimated population of 9.5 million in 2025. It covers an area of approximately 57,000 km² and borders Benin, Ghana, and Burkina Faso. Togo's economy is expanding steadily, with a Gross Domestic Product (GDP) growth projected at about 5.5% in 2026, following an estimated 5.0% in 2025.¹ Inflation eased to 2.9% in 2025 and is forecast to be near 3.2% in 2026. Monetary policy remains supportive, with the Central Bank of the West African States (BCEAO) policy rate at 3.5%.² Public finances reflect ongoing investment efforts, with the fiscal deficit estimated near 6.4% of GDP and public debt around 72% of GDP³. Social indicators highlight progress in poverty reduction, though informal employment remains prevalent. Looking ahead, the main development priorities include advancing structural reforms, enhancing public investment efficiency, and continuing fiscal consolidation measures to sustain growth and strengthen resilience. Growth is expected to be driven by agriculture, services, and expanding infrastructure investments, particularly thanks to the dynamism of the Adétikopé industrial platform (PIA), a dry port, located 40 km North of Lomé, and the Autonomous Port of Lomé (PAL).

1.2 Trade relations between Togo and Asia have reached a strategic scale that strongly supports further investments in enhancing connectivity in the Member. In 2024, total trade flows between Togo and Asian economies exceeded USD12 billion,⁴ surpassing Togo's GDP of approximately USD11 billion. This volume highlights Togo's role as a regional trade and logistics platform rather than solely a local consumer market. Asia has become Togo's important trading partner, accounting for more than 60% of total trade value, or 44% even when excluding gold-related transactions. This reflects deep structural integration between Togo and Asian supply chains across commodities, manufacturing, consumer goods, industrial equipment, and logistics services.

1.3 On the export side, Asian demand for products from Togo is substantial and diversified. The United Arab Emirates alone reported importing approximately USD4 billion worth of gold from neighboring countries through Togo in 2024, while India and China imported USD775.4 million and USD212.7 million respectively in calcium phosphates, cashews, soybeans, and seed derivatives. These trade flows illustrate Asia's growing interest in West African commodities and confirm Togo's strategic positioning as an export gateway connecting West African resources to Asian markets. The export structure consists primarily of mineral products, which accounts for 36% of exports (reaching USD945 million), while vegetable products represent approximately 27% of exports, amounting to USD755 million.

1.4 On the import side, China and India are by far Togo's largest suppliers, with imports reaching USD3.3 billion and USD2.7 billion respectively. Asia represents approximately 65% of Togo's imports. These imports are diversified and include refined petroleum products, which account for 40% of imports and total USD4.2 billion, as well as vegetable products reaching USD2 billion and representing 18% of imports, including rice, which alone accounts for 5% of total imports at USD607 million. Finally, textile imports amount to approximately USD1.5 billion, representing 12% of total imports. These products are essential for both Togo and its landlocked neighbors, exemplifying Lomé's role as a redistribution hub for West Africa

¹ World Bank, 2025, [Togo Economic Update: Boosting growth and restoring fiscal space in uncertain times](#)

² BCEAO, March 2026, [Report on monetary policy in the Wamu](#)

³ World Bank, 2025, [Togo Economic Update: Boosting growth and restoring fiscal space in uncertain times](#)

⁴ [The Atlas of Economic Complexity](#) based on trade data from the United Nations Statistical Division covers the data from para 1.2 to 1.4.

and the Sahel. Overall, agricultural trade represents about USD2.7 billion and accounts for 23% of Togo's total trade.

1.5 Sector Overview: Agriculture is a cornerstone of Togo's economy, contributing over 22% of GDP and employing nearly 65% of the workforce.⁵ The sector is dominated by food crops such as maize, sorghum, millet, and cassava, with 2024 cereal production estimated at 1.5 million tons, roughly 8% above the five-year average.⁶ Export crops include cotton, cocoa, and coffee, which together account for a significant share of agricultural exports, valued at CFA152.9 billion (~USD238 million) in 2023.⁷ Despite this progress, there remains considerable scope to further enhance productivity through expanded mechanization and irrigation, strengthen value chains and local processing, improve resilience to climate variability, and address infrastructure gaps to facilitate better market access.

1.6 Togo's transport and logistics sector is a main contributor to the national economy. Transport services generated CFA185 billion (USD302 million) in 2024, representing nearly 29.5% of the West African Economic and Monetary Union (WAEMU)'s service exports, underscoring Togo's role as a regional trade hub. The PAL, a strategically located natural deepwater port, is West Africa's leading transshipment hub. It handled 30.6 million tons of cargo and two million Twenty-foot Equivalent Units in 2024. Despite the development of the PAL, the performance of logistics services has stagnated since 2012 due to significant bottlenecks in the hinterland connectivity, limited intermodal and city-port integration, and inefficiencies in domestic transport and logistics markets. As a result, Togo ranks 97th out of 139 countries in the 2023 Logistics Performance Index.⁸

1.7 Road infrastructure is the backbone of Togo's internal transport network. The National Road 1 (RN1) serves as the main artery for hinterland connectivity to Togo's domestic agricultural regions and the landlocked countries in the Sahel and carries most of the traffic. Though comparably better than in some neighboring countries, the quality of the road network remains uneven and climate shocks, such as flooding and extreme rainfall, frequently damage road infrastructure, disrupt connectivity, and raise transport costs.

1.8 Rail infrastructure in Togo comprises about 568 km of meter-gauge track, most of which is currently non-operational. Following the dissolution of the national railway company (*Société nationale des chemins de fer togolais* – SNCT) in 2002, successive concession arrangements failed in restoring rail as a viable logistics mode, leaving much of the network idle. At present, operations are limited to cement transport under the West African Cement concession between Tabligbo and Lomé, which carries about 160,000 tons per year, or roughly one train per day, while container traffic depends entirely on road transport. In this context, developing a rail link—largely along existing alignments—between PAL and PIA would support a modal shift from road to rail, improve logistics efficiency, reduce congestion on urban freight corridors, and strengthen port-city integration.

B. Key Development Challenges

1.9 Addressing Key Development Challenges: Togo's current development agenda is guided by the Government Roadmap Togo 2025, which has continued to serve as the national strategic framework following the National Development Plan 2018–2022, pending its next update. The roadmap positions transport and logistics as key enablers of economic transformation, job creation, and regional integration,

⁵ [World Bank Sustainable Agriculture Transformation Program Project Appraisal Document, 2024](#)

⁶ World Food Organization, 2026, [Country Brief: Togo](#)

⁷ World Food Organization, 2026, [Country Brief: Togo](#)

⁸ World Bank, Connecting to Compete 2023: [Trade Logistics in an Uncertain Global Economy](#).

with the objective of consolidating Togo's role as a logistics and services hub for West Africa. Within this strategic framework, a central priority is to improve national and regional connectivity through the rehabilitation, upgrading, and expansion of the road network. Priority is given to strategic corridors linking the Port of Lomé to neighboring economies, (particularly the landlocked economies in the Sahel), to reduce transport costs, improve freight fluidity, and strengthen trade competitiveness. At the regional level, the roadmap also emphasizes rural road development to improve territorial cohesion, access to markets and basic services, and the resilience of agricultural livelihoods. The strategy promotes closer integration of transport, logistics, and industrial development, including better road-port interfaces, logistics platforms, and industrial zones such as Adétikopé. Across all these priorities, transport investments are expected to incorporate sustainability, climate resilience, road safety, stronger maintenance systems, and institutional strengthening.

1.10 In the Greater Lomé Metropolitan Area (GLMA), freight transport is dominated by intense road-based flows linked to the PAL and, increasingly, the PIA, but lacks integration with the urban network. Heavy trucks frequently penetrate dense central areas, contributing to congestion, unsafe traffic conditions, and compete with passenger mobility, especially on secondary roads with limited capacity and weak pavement quality. While logistics chains are relatively well organized at the macro level (port, dry port, truck parks), urban logistics is not stringently regulated, leading to unregulated parking, curbside loading/unloading, and bottlenecks near markets and activity hubs. The lack of dedicated freight corridors, logistics hubs at the urban fringe, and time-based access management exacerbates pressure on the road network. Institutional fragmentation and incomplete regulatory frameworks further limit coordinated planning, despite ongoing efforts to formalize freight activities. Overall, Lomé faces the challenge of reducing heavy goods traffic in urban cores while better accommodating rapidly growing port and industry-driven freight demand, within the context of rapid demographic growth and limited road infrastructure.⁹

1.11 The PAL Master Plan 2040¹⁰ and the Greater Lomé Sustainable Urban Mobility Plan (SUMP)¹¹ formulate comprehensive strategies addressing PAL expansion and Lomé's challenges of transport massification and road safety. The vision formulated for a 'Greater Lomé inclusive, sustainable and dynamic thanks to an efficient and safe mobility framework', is built around four strategic axes: (i) the development of an efficient and safe mobility framework, wholly coordinated between the various transport modes to address the urban and demographic growth; (ii) the construction of a city inclusive to all; (iii) the development of mobility thanks to clean and eco-friendly solutions; and the (iv) the setting in place of an efficient transport system to reinforce the economic role of Lomé.

1.12 Togo's strategy in the agriculture sector. Agriculture plays a vital role in Togo's economy, making up more than 22% of its total output and providing jobs for almost two-thirds of its working people.¹² In January 2025, Togo launched the Modernization of Agriculture Program for 2025-2034, a flagship 10-year plan aimed at boosting productivity and resilience, developing stronger supply chains, improving access to markets, making it easier for farmers to get financing, and attracting private investment. The program's goal is to help small farmers move away from subsistence agriculture and instead produce for the market by expanding the *Zones d'Aménagement Agricole Planifiées* – Planned agricultural development zones (ZAAPs), which are areas designed for high-value farming. It intends to build on the success of the growing soybean industry in these zones and take advantage of investments in industrial areas to turn Togo into a regional center for food and animal feed production.

⁹ Greater Lomé, Sustainable Urban Mobility Plan, Mobilize Your City, 2024

¹⁰ Plan Directeur du Port Autonome de Lomé Horizon 2040

¹¹ Plan de Mobilité Urbaine Durable du Grand Lomé, Mobilise Your City, 2024

¹² World Bank, 2022, [Towards Sustainable and Inclusive Growth](#)

1.13 Consequently, upgrading and improving the connectivity of the logistics infrastructure around the PAL is strategically important, as it is Togo's main logistics gateway, the only naturally deep-water port in the region, and the only port located within a one-day journey of several regional capitals. Lomé serves as an important maritime gateway for Burkina Faso, Niger, and Mali. The PAL therefore captures not only Togolese demand, but also a significant share of transit trade destined for the Sahel. This regional hinterland substantially enlarges the effective market size served by the port's infrastructure. The continued expansion of Asia–West Africa trade further strengthens the investment rationale. Asian exporters increasingly require efficient logistics corridors into West Africa, while African commodity exporters seek reliable connections to Asian markets. The scale and structure of current trade flows clearly indicate that modernizing Togo's connectivity infrastructure will benefit not only Togo, but also broader Asia–West Africa trade and commerce.

1.14 **Project Contributions:** The Transport Connectivity and Logistics Improvement Project (the Project) will address challenges of accessibility around the PAL, limited connectivity to high potential agricultural regions, urban mobility, and governance of the transport sector. More specifically, such challenges include:

- i) Export of agricultural products. The export of agricultural products is constrained by less than optimal rural road infrastructure and limited connectivity, which hinder farmers' ability to reach the agricultural transformation centers, the markets and export corridors efficiently. The Project will rehabilitate/upgrade feeder and secondary roads in regions which have high agricultural export potential and contribute to the reduction of production losses.
- ii) Logistics efficiency and access to PAL and PIA. Truck access to the PAL is hindered by significant congestion along urban corridors, which remains the most frequently reported challenge for freight operators. Road deterioration and the scarcity of adequate parking and staging areas further impede truck movements and reduce overall logistics efficiency. The Project will rehabilitate an existing freight railway line between the PAL and PIA, and the main access routes to PAL. It will also enable a more conducive environment with the building of modern intermodal parking facilities in the port zone in and around the PIA.
- iii) Emissions of CO2 and other contaminants linked to transport activities are high in GLMA. The Project will encompass a freight railway transport service from the PAL to PIA, which will shift traffic from road to rail. It will also incorporate climate adaptation in the design of rail and road infrastructure.
- iv) Road safety is inadequate. The Project will incorporate all the necessary road safety features into the design of the railway and road components. It will also address road safety blackspots and support the improvement of road safety inspections.
- v) Governance and implementation capacity is insufficient. The Project will address institutional capacity constraints of key stakeholders of the transport sector. Support will be provided to the main institutions and agencies such as the General Directorate of Road and Rail Transport within the Ministry of Transport, Rural Access, and Feeder Roads (MTDPR), the Autonomous Road Maintenance Financing Company (SAFER), the Ministry of Infrastructure and Public Works (MTPI), to improve climate-resilient road and railways infrastructure and asset management.

2. Rationale

A. Project Development Objective

2.1 The Project enhances climate resilient road access in targeted high-potential agriculture zones, efficient logistics and urban mobility in Greater Lomé.

B. Direct Beneficiaries and Results

2.2 **Direct Beneficiaries.** The Project is expected to generate both direct and indirect benefits. Direct beneficiaries are estimated at around 400,000 people, of whom approximately 51% are women, who will experience improved access to sustainable transport infrastructure and services in the Project areas. These direct beneficiaries include rural and peri-urban populations living within the catchment area of rehabilitated roads in targeted agricultural zones, as well as urban users directly affected by improved mobility and logistics conditions in GLMA. They include, in particular, smallholder farmers and farmer cooperatives in and around the ZAAPs, traders and agro-logistics operators using rehabilitated feeder and secondary roads, freight and logistics operators linked to the PAL–PIA corridor, and urban residents, commuters, and road users benefiting from reduced congestion, safer circulation, and improved access around the port area. The direct beneficiaries estimate is concentrated in the Kara, Savanes, Plateaux, and Centrale/Mô Plaine regions, reflecting the Project’s geographic focus and connectivity gaps.

2.3 Indirect beneficiaries are expected to be significantly larger. They include the broader population of the Greater Lomé agglomeration, estimated at about 2.2 million inhabitants, who are expected to benefit from safer infrastructure, reduced congestion, improved freight circulation, and stronger port-city integration. Additional indirect beneficiaries include producers, traders, processors, and transport service providers along the Lomé–Cinkassé corridor and in connected agricultural value chains, as well as neighboring economies that rely on the PAL as a trade gateway (mostly Burkina Faso and Niger).

2.4 **Expected Results:** The expected results of the Project are:

- The climate resiliency of the rural and secondary road network will improve, and the export of high potential agricultural products will be facilitated. This will be achieved through the rehabilitation/upgrade with climate resilient standards of a network of secondary roads and rural feeder tracks in the targeted agricultural regions of Togo, connecting to the processing centers for agriculture products and, ultimately, to the PAL. The population as well as economic actors will be provided with improved climate resilient road infrastructure, practicable in all seasons, in the four regions.
- The efficiency of the logistics sector is expected to improve. This will be achieved through the rehabilitation of the railway connection between PAL and PIA and the commencement of a new freight rail transport service operation, as well as the investment for the upgrade of roads from the ZAAPs to the agropôles in the regions. Significant measurable benefits are expected (e.g., reduction of travel time and transport costs between PAL and PIA, and the number of shipments shifted from road to rail).
- The transport costs for farmers and agri-operators are expected to decline. This will result from improved first-mile and corridor connectivity, which will shorten travel times, reduce vehicle operating and maintenance costs, lower seasonal disruptions, and improve access to markets, collection points, and logistics services. Better road conditions and more reliable transport are

also expected to reduce post-harvest losses and make transport services more efficient and competitive in the targeted agricultural areas.

- The urban mobility conditions in GLMA are expected to improve. The Project will achieve this by operationalizing the freight rail line from PAL to PIA, reducing road-based traffic volumes and improving road safety. These investments are expected to benefit both the urban population and the economic actors.
- Transport safety will improve. This will result from the integration of road safety features into the design of road and rail investments, targeted treatment of high-risk locations, improved traffic circulation around the port and within GLMA, and support for road safety inspections and enforcement. By reducing conflict points between heavy freight traffic and local road users, improving visibility and operating conditions, and addressing critical blackspots, the Project is expected to lower accident risks and make transport conditions safer for pedestrians, motorcyclists, drivers, and freight operators.

The progress against indicators of the Results Monitoring Framework will be monitored by the co-financier (International Development Association, or WB) and AIIB during implementation, to confirm that the Project is progressing in accordance with the implementation plan.

C. Strategic Fit and Value Additionalities

2.5 Strategic Fit for AIIB. The project is confirmed aligned with the Corporate Strategy, including the following thematic priorities: (i) Connectivity and Regional Cooperation, (ii) Green Infrastructure, (iii) Technology-Enabled Infrastructure, and (iv) Private Capital Mobilization.

- 2.5.1 Connectivity and Regional Cooperation:** The Project will boost Togo's agribusinesses and food exports, national economic growth as well as foster regional cooperation. The project will improve connectivity by upgrading the road and rail infrastructure with greater access to PAL and to the regions with high agricultural potential for export. Togo is also a place which acts as a strategic transit area for Sahel landlocked countries, which access international maritime trade routes through the PAL.
- 2.5.2 Green Infrastructure:** According to AIIB's methodology for assessing alignment of investment operations with the Paris Agreement, the Project is aligned on climate mitigation (BB1) and adaptation (BB2) goals. This Project supports the climate change adaptation and mitigation effort of Togo in the transport sector, as depicted in the revised NDCs¹³ submitted in 2021, which advocates for "the promotion of low-carbon modes of transport [...]". The railway link and the upgrade of urban transport infrastructure to climate resilient standards will contribute to the significant reduction of carbon emissions in GLMA. These efforts will contribute to the reduction of GHG emission and support Togo in meeting its environmental and development goals.
- 2.5.3 Technology-enabled Infrastructure:** The Project will integrate advanced technologies to enhance the transport infrastructure efficiency and resilience. The freight transshipment stations at the PAL and PIA will contain tech-driven specialized equipment and advanced IT systems for loading and unloading container trains. Advanced signaling system plans are also envisaged as among the Project activities to improve vehicle traffic flow.

¹³ [Togo NDC - UNFCCC](#)

- 2.5.4 **Private Capital Mobilization:** The Project integrates the participation of the private sector in the works and operational phase of the railway freight line. Private capital is mobilized through PPP structures in which a private company will finance, build, and operate the infrastructure, with its remuneration calibrated through the financial model to ensure investor returns based on projected revenues and cost assumptions. The private sector will also be involved in the building of modern intermodal parking facilities in the port zone and around PIA. Synergies will also be explored with IFC on improving pedestrian and motorcyclist safety, as well as public transport services within GLMA.

2.6 The project is aligned with AIIB's Transport Sector Strategy, Sustainable Cities Strategy, and Strategy on Financing Operations in Non-Regional Members.

- 2.6.1 **Transport Sector Strategy:** This Project finances economically viable trunk and strategic infrastructure promoting trade and economic growth. The proposed rail link between PAL and PIA will support industrialization, logistics efficiency, reduce road congestion, and contribute to enhance effective city-port integration and logistics system efficiency. The rehabilitation of secondary and rural roads will link agricultural areas and agro-processing centers to the core road network and facilitate agricultural value chain development. The financing of urban mobility improvement activities will contribute to addressing the difficult traffic situation in GLMA.
- 2.6.2 **Sustainable Cities Strategy:** The Project will contribute to reducing greenhouse gas (GHG) emissions through modal shift of truck cargo from road to rail, the improvement of the public mass transport system and the construction of enhanced climate resilient parking facilities within GLMA.
- 2.6.3 **Strategy on Financing Operations in Non-Regional Members:** The Project is closely aligned with AIIB's Strategy on Financing Operations in Non-Regional Members, which prioritizes investments that strengthen trade and connectivity with Asia. Togo maintains substantial economic ties with Asia: in 2024, total trade between Togo and Asian economies exceeded USD12 billion, surpassing the Member's GDP of about USD11 billion. Asia is Togo's largest trading partner, accounting for more than 60% of total trade value, or 44% excluding gold-related transactions. On the export side, the United Arab Emirates is the largest importer of commodities, followed by India and China imported agriculture products (calcium phosphates, cashews, soybeans, and seed derivatives). On the import side, China and India are Togo's two largest suppliers. By improving connectivity around the PAL, the Project will reinforce Togo's role as a regional logistics platform linking Asian supply chains with West African markets.

2.7 The Project is aligned with the SDGs on:

- 2.7.1 **SDG 9 (Industry, Innovation and Infrastructure).** The building of resilient infrastructure will support economic development and human well-being, with a focus on affordable and equitable access for all.
- 2.7.2 **SDG 11 (Sustainable cities and communities).** The Project addresses urban mobility in GLMA and aims to improve the transport conditions and provide solutions for the easy movement of people and goods.
- 2.7.3 **SDG 13 (Climate Action).** Infrastructure works are planned with climate-resilience measures to withstand weather and climate-related hazards.

2.8 Paris Agreement Alignment (PAA) and Climate Finance. In accordance with AIIB's methodology for assessing alignment with the mitigation and adaptation goals of the Paris Agreement, the Project is assessed as aligned with both mitigation and adaptation objectives. Furthermore, 53.0% of AIIB's financing or USD39.75 million is considered climate finance, including USD24.87 million (or 33.2% of the Bank's loan) as mitigation finance and USD14.87 million (or 19.8% of the Bank's loan) as adaptation finance. These climate finance amounts are inclusive of USD6.25 million (or 8.3% of the Bank's loan) of both climate mitigation and adaptation finance or dual benefits.

2.9 Each component of the Project is assessed independently for its alignment with the Paris Agreement's mitigation goals (BB1), as the Project includes roads, rail, port access and other mobility-related elements. The Project is not expected to adversely affect Togo's low-carbon development pathway. All financed activities have been assessed as universally aligned with the goals of the Paris Agreement and do not undermine Togo's GHG emissions mitigation objectives. By enhancing multimodal connectivity, the Project contributes to more efficient and less emission-intensive freight logistics. The railway component (Component 1) is automatically aligned with BB1, as it supports low-carbon transportation. The port city integration and urban mobility component (Component 2), which involves easing the congestion and circulation for the PAL (ports are automatically aligned) and investments to reduce congestion, inefficient truck circulation, inadequate parking and staging arrangements, and climate-related vulnerabilities in the port-city interface, is also considered automatically aligned given that no road expansion is planned. The road infrastructure and logistics development component (Component 3) is also automatically aligned considering that no road expansion is planned. Each component is supported by technical assistance with an additional component (Component 4) for overarching design, implementation and integration of climate resilience elements. The Project is therefore BB1 aligned.

2.10 Regarding the Paris Agreement's adaptation goals (BB2), given the early stage of project design, the multiple sectors and the different alignments for road and rail, a country approach was adopted which will be later supplemented by component-based climate vulnerability assessments during the design and implementation stage. Further details on the climate risks and mitigants can be found in section 4E Climate Change. The Project is designed to address these risks by strengthening the resilience of transport infrastructure and services at network level, thereby enhancing the resilience of the agriculture and trade sectors, as well as the communities they serve. Investments include the rehabilitation of the railway line between PAL and PIA, improvements to the congestion of the PAL-Lomé city interface and the rehabilitation and upgrading of prioritized national, secondary, rural and urban roads in Lomé. Roads will be selected for rehabilitation based on their vulnerability and exposure to climate risks and their criticality for transport network resilience. All works will incorporate climate-resilient standards to instill year-round connectivity and improve the durability of infrastructure under future climate conditions. The planning and deployment of rehabilitation and maintenance activities will consider both climate risks and the strategic importance of assets for network connectivity. Assessments of climate risks and mitigants at a component level have been integrated into the ESIA due diligence for each component to identify high-risk hotspots and define targeted resilience measures such as upgrading drainage systems and reinforcing slope embankments and improving flood protection structures. This will be further supplemented by the integration of climate related studies and measures incorporated throughout the Project design such as the scopes of the technical assistance and via the dedicated implementation teams at the component level which will include a steering committee, technical committee and the Project implementation support unit. The Project is therefore considered BB2 aligned.

2.11 With regards to climate finance, the Project supports both mitigation (railways and logistics) and adaptation actions across each component and as such 53.0% or USD39.75 million may be reported as climate finance. With regards to climate mitigation, 33.2% (88.8% of Component 1 - the railway

infrastructure does not transport coal, peat or other fossil fuels as part of the overall service) or USD24.87 million of AIIB's loan may be reported as climate mitigation finance. With regards to climate adaptation finance, the Project activities directly reduce physical climate risk and build adaptive capacity within the wider system, where adaptation is one — but not the sole — objective. The Project establishes a clear climate vulnerability context, noting that flooding and extreme rainfall frequently damage Togo's transport network and that these hazards are expected to intensify under climate change. The intent to address this vulnerability is explicitly embedded in the project objective of supporting "climate resilient infrastructure" with all road and rail rehabilitation works required to incorporate climate-resilient design standards, and Component 4 dedicated to integrating climate resilience measures across implementation. A direct and logical link exists between these hazards and the specific adaptation measures financed — including drainage improvements, slope stabilization, and flood protection upgrades. As adaptation is one of several objectives alongside logistics efficiency and agricultural connectivity, 19.8% (11.2% of Component 1, 25.0% of Component 2, 25.0% of Component 3 and 25% of Component 4) or USD14.87 million may be reported as climate adaptation finance. These amounts include 8.3% or USD6.25 million dual benefits for both climate mitigation and adaptation finance.

2.12 In relation to GHG, the rail component generates a net GHG emissions reduction through modal shift, as freight traffic diverts from road to rail, reducing overall emissions across the corridor. The roads component, conversely, produces a net increase in emissions. While improved road surfaces induce additional traffic that would not have occurred in the absence of the investment, resulting in additional emissions, improved road surfaces enhance the fuel economy of normal traffic, leading to emissions reduction. The additional emissions associated with induced traffic outweigh the emissions reduction associated with normal traffic, resulting in a net increase in emissions from the roads component. Taken together, the emissions reduction achieved by the rail component outweighs the emissions increase associated with the road component. Accordingly, the overall GHG impact of the Project is expected to be a net reduction of 4,757 tCO₂e/year.

2.13 **Value Addition by AIIB.** Beyond the provision of financing, AIIB's participation strengthens the technical preparation of the Project by ensuring that the activities promote sustainable economic and social development and are designed with green infrastructure principles, fully in line with AIIB's mandate and the Paris Agreement. AIIB leverages its experience from other recent similar projects in Côte d'Ivoire (P000736 Inclusive Connectivity and Rural infrastructure Project),¹⁴ in Benin (P000936 Grand Nokoué Sustainable Urban Mobility Plan)¹⁵ and in India (P000723 Manipur Urban Road, Drainage and Asset Management Improvement Project)¹⁶. AIIB has applied to the Multilateral Cooperation Center for Development Finance (MCDF) for project readiness support. In case an MCDF grant is approved, AIIB will support the technical readiness of national and secondary roads, help build the Project Implementation Support Unit's (PISU) knowledge in E&S safeguards especially in preparing and updating the ESI/ESMP with critical habitat assessment in its scope and procurement applications. To strengthen the supervision of E&S safeguards compliance, the terms of reference (ToR) for both the implementing entity's E&S specialists and the independent E&S audit consultant were reviewed and cleared by WB and AIIB teams prior to recruitment. This helps facilitate adequate scope, expertise and accountability mechanisms for safeguards monitoring. Finally, following the Government of Togo's request, the Project is applying for the Special Fund Window (SFW)'s resources for interest buy-down to minimize the financial burden of the operation and support Togo's debt sustainability.

¹⁴ [P000736 Inclusive Connectivity and Rural infrastructure Project](#)

¹⁵ [P000936 Grand Nokoué Sustainable Urban Mobility Plan](#)

¹⁶ [P000723 Manipur Urban Road, Drainage and Asset Management Improvement Project](#)

2.14 **Value Addition to AIIB.** This will be AIIB's first project in Togo. It will reinforce its visibility, and enhance its knowledge of, and capacity to operate in, both Togo and Western Africa. This will also be AIIB's first project on multimodal urban mobility, with a rail component. Insights gained from the Project will be instrumental in broadening AIIB's engagement in the urban mobility sector, a field that presents numerous challenges in the cities of developing economies.

D. Lessons Learned

2.15 The design of the Project draws on the long-standing expertise in the transport sector of WB across Sub-Saharan Africa, where it has played a pivotal role in improving critical infrastructure. In Togo, a successful example is the Trade and Logistics Services Competitiveness Project (P158982),¹⁷ which aimed to enhance the efficiency and competitiveness of trade and logistics sectors. This demonstrated how targeted investments and strategic planning can significantly improve service delivery and economic performance. Building on this experience, WB is currently supporting the sector through the Lomé – Ouagadougou – Niamey Economic Corridor Project (PCE LON; P168386)¹⁸ and has recently approved the Sustainable Agriculture Transformation Program (P180580).¹⁹

2.16 The preparation of the Project has also benefited from the Bank's experience on other projects jointly co-financed with the World Bank in West Africa, in particular the P000736 Inclusive Connectivity and Rural Infrastructure Project in Côte d'Ivoire,²⁰ and the recently approved P000936 Grand Nokoué Sustainable Urban Mobility Project, in Benin²¹ confirmed the importance of an efficient coordination between the two project teams, during the preparation and implementation, with lessons to be taken on management of environmental and social, financial, procurement and legal aspects.

2.17 AIIB's experience in Côte d'Ivoire and on rural roads emphasizes the complexity in the procurement phase of rural road works contracts, especially for rural tracks, which are usually done by local companies. Also, the Project showed that considering the importance of the network coverage, the institutional set up had to be reviewed and adapted. Regional Technical Units were created in each of the 11 regions of Côte d'Ivoire. The importance of maintenance for the sustainability of assets after project completion is also crucial, as well as strengthening the capacities of the relevant authorities and actors in charge of road maintenance management and execution. The Project includes technical assistance to build the capacity of the PISU, relevant agencies, and private sector actors involved in the Project.

2.18 In Benin, AIIB gained experience on how transport projects are designed with a multi-dimensional approach, combining investments in infrastructure, multimodal integration of transport services, support to the local industry, participation of the private sector, governance and stakeholder engagement to achieve inclusive development. Lessons learnt highlighted the following key factors: (i) adopting a holistic and multidimensional approach, from infrastructure design to transport services, to create global impact, (ii) capacity building and awareness raising to key stakeholders; (iii) strong and continuous support and ownership, from the government; and (iv) appropriate business models and risk sharing mechanisms for a successful participation of the private sector to operate transport services.

¹⁷ [P158982 - Trade and Logistics Services Competitiveness Project, WB](#)

¹⁸ [P168386- Lome-Ouagadougou-Niamey Economic Corridor, WB](#)

¹⁹ [P180580- Sustainable Agriculture Transformation Program, WB](#)

²⁰ [P000736 Inclusive Connectivity and Rural Infrastructure Project in Côte d'Ivoire](#)

²¹ [P000936 Grand Nokoué Sustainable Urban Mobility Project, in Benin](#)

3. Project Description

A. Project Structure, Cost and Financing Plan

3.1 Project Structure

The Project includes four components. AIIB will finance all components, except sub-component 4.2.

- 3.1.1 Component 1: Railway connectivity and logistics between the Autonomous Port of Lomé (PAL) and the Adétikopé Industrial Platform (PIA)** (USD120.0 million, of which USD72.0 million is financed by WB, USD28.0 million by AIIB and USD20.0 million from the private sector). This component will finance the development of a railway link between PAL and PIA to enable a modal shift of freight from road to rail and strengthen port-hinterland logistics. It will support the rehabilitation of approximately 40 km of existing meter-gauge railway and the development of associated terminal and operational infrastructure, including freight handling facilities at the PIA, dedicated rail facilities within the port, selected passing loops to increase operational capacity, and signaling systems. By improving the efficiency, reliability, and sustainability of freight movements between the port and the industrial platform, the component is expected to reduce congestion on urban port corridors, improve cargo evacuation, lower logistics costs over time, and support more efficient supply chains for industries located at PIA. Investments under this component will be implemented progressively, with the first phase focused on rehabilitating existing infrastructure and enabling early freight operations, while subsequent capacity expansion would be aligned with traffic growth and operational needs. An ongoing feasibility study is refining the technical, financial, environmental, and institutional parameters of investment, including climate-resilient design and low-emission operational options. Given the limited capacity of national authorities for rail operations and the Government of Togo's objective to commence operations as early as 2028, the railway system is expected to be operated under an integrated vertical concession model. Under this arrangement, rail infrastructure assets would remain publicly owned, while a private concessionaire would be responsible for financing, procuring, and operating rolling stock and equipment, maintaining major infrastructure and facilities under government oversight, and acting as delegated project manager for infrastructure investments.
- 3.1.2 Sub-Component 1.1: Railway rehabilitation between PAL and PIA** (USD112.0 million, of which USD67.0 million is financed by WB, USD25.0 million by AIIB and USD20.0 million from the private sector). This sub-component will finance the core infrastructure investments needed to restore and modernize the railway connection between PAL and PIA. It will cover the rehabilitation and strengthening of the existing meter-gauge railway, rehabilitation of key structures, development of freight handling and terminal infrastructure in PIA, installation of signaling and operational systems, and the technical studies and supervision required for implementation. The procurement and operation of rolling stock and other operational assets will be undertaken by the future concessionaire.
- 3.1.3 Sub-component 1.2: Technical assistance to railway operations** (USD8.0 million, of which USD5.0 million is financed by WB and USD3.0 million by AIIB). This sub-component will finance technical assistance and preparatory activities to support the establishment of a viable framework for private-sector participation in the operation of the PAL–PIA railway. Activities will include: (i) advisory support and analytical work to develop the institutional, policy, legal, and regulatory reforms required for the railway sector, consistent with good

international practice; and (ii) capacity building for the Recipient to strengthen its financial, technical, contractual, and legal capabilities for railway sector oversight and management. The sub-component will complement the technical and transaction support financed through the Grant Facility for Project Preparation (GFPP).

- 3.1.4 **Component 2: Port-city integration and urban mobility** (USD48.0 million, of which USD33.0 million is financed by WB and USD15.0 million by AIIB). This component is strategically designed to address one of the main constraints on Greater Lomé's competitiveness: the growing conflict between urban mobility and freight logistics around PAL. By targeting congestion, inefficient truck circulation, inadequate parking and staging arrangements, and climate-related vulnerabilities in the port-city interface, the component aims to improve the efficiency and resilience of the urban transport system while supporting the performance of Togo's principal trade gateway. The activities under this component will prioritize high-impact investments and readiness measures that ease critical bottlenecks around the port on the Lomé ring road, improve freight circulation and road safety, and strengthen last-mile connectivity. At the same time, it will lay the institutional, technical, and planning foundations for larger-scale urban mobility investments for future phases, including more integrated traffic management, public transport improvements, and system-wide mobility reforms. As such, the component is expected to generate both immediate operational benefits and longer-term transformational impacts for urban mobility, logistics performance, and port-city integration in GLMA.
- 3.1.5 **Sub-component 2.1: Priority port access, freight circulation, and readiness investments** (USD38.0 million, of which USD28.0 million is financed by WB and USD10.0 million by AIIB). This sub-component will finance a focused package of high-impact investments and preparatory actions to relieve the most binding constraints on port-city logistics in GLMA. It will support the rehabilitation of critical road infrastructure in the port area and along main access routes, improve conditions for truck circulation and staging, and strengthen road safety and climate resilience on priority urban corridors, including the Lomé bypass. It will also support the technical and institutional groundwork needed to enable privately financed modern intermodal parking and logistics facilities in the port zone and around the PIA. All road rehabilitation works and intermodal parking facilities supported will be designed and implemented in accordance with climate-resilient standards. Finally, it will support training and technical assistance activities for road safety inspections. By reducing congestion, improving circulation, and addressing critical safety bottlenecks, the sub-component is expected to generate early and visible gains in logistics efficiency, urban mobility, and reliability of access to PAL.
- 3.1.6 **Sub-component 2.2: Preparation of integrated urban mobility and network-level improvements** (USD10.0 million, of which USD5.0 million is financed by WB and USD5.0 million by AIIB). This sub-component will establish the institutional, planning, and technical foundations for a more integrated and efficient urban mobility system in Greater Lomé. It will finance the analytical work, designs, and institutional arrangements needed to operationalize the Greater Lomé SUMP, including traffic and signaling systems, road safety diagnostics and interventions, and preparation of future public transport infrastructure and service improvements. It will also help define the operational and funding framework for priority investments such as bus stops, stations, corridors, and transport hubs supporting the network of Lomé's public transport company—SOTRAL. While most large-scale investments are expected to be implemented beyond the Project's lifetime, this sub-component is critical

for readiness, sequencing, and policy coherence, and to position GLMA for sustained improvements in mobility, safety, and urban logistics performance.

- 3.1.7 **Component 3: Road Infrastructure and logistics development** (USD205.0 million, of which USD85.0 million is financed by WB, USD30.0 million by AIIB and USD90.0 million by European Investment Bank (EIB)). This component will strengthen the road and logistics backbone linking high-potential agricultural areas to markets, agro-processing centers, and PAL. It is designed to address the most binding first mile and corridor connectivity constraints affecting agricultural competitiveness, market access, and climate resilience in the Savanes, Kara, Centrale/Mô Plain, and the Plateaux regions. The component combines investments in the rehabilitation and upgrade of feeder roads, national and secondary roads, with climate-resilient standards, agricultural logistics, and road maintenance systems to improve all-season access, reduce transport costs and delays, and support more reliable movement of inputs and produce. It will also strengthen implementation and maintenance with financing from SAFER, the national road fund, and involvement of local communities. Moreover, the activities under this component will deliver opportunities for private sector engagement and public-private partnerships with pilot last-mile delivery mechanisms in remote and fragile ZAAPs, ensuring that smallholder farmers can reliably access essential agricultural inputs such as seeds and fertilizers. This will help overcome limitations caused by poor infrastructure and further empower farmers, in particular women, to participate in export supply chains.
- 3.1.8 **Sub-component 3.1 Rehabilitation and improvement of prioritized feeder roads** (USD105.0 million, of which USD40.0 million is financed by WB, USD10.0 million by AIIB and USD55.0 million by EIB). This sub-component will finance the rehabilitation and improvement of prioritized feeder roads that connect farms, ZAAPs, villages, and local markets to the higher-order road network. The MTDPR has selected a network of feeder roads up to 1,258 km of earth or gravel roads, including 243 km in Savanes, 649 km in Kara, 135 km in Centrale (Mô Plain), and 231 km in the Plateaux regions. Activities will include rehabilitation works, construction supervision, technical studies not covered under the GFPP and MCDF grant, spot improvements on critical sections, drainage and erosion control works, slope stabilization, and basic road safety measures near settlements, schools, crossings, and markets. Technical studies will determine the length of the roads to be financed under the Project. The sub-component is expected to improve year-round access to inputs, services, collection points, and markets; reduce seasonal isolation and post-harvest losses; and strengthen the reliability of first-mile logistics in targeted agricultural areas. A fit-for-purpose maintenance approach, including climate-risk management and community participation, will be used to support sustainability.
- 3.1.9 **Sub-component 3.2 Rehabilitation and improvement of prioritized national and secondary roads** (USD85.0 million, of which USD40.0 million is financed by WB, USD15.0 million by AIIB and USD30.0 million by EIB). This sub-component will finance the rehabilitation and upgrading of selective priority national and secondary roads that connect ZAAPs and rural production areas to regional markets, agro-processing hubs, and main trade corridors. Activities will include rehabilitation and strengthening of paved and unpaved roads, selective upgrading of secondary roads, drainage improvements, climate-resilient design measures, road safety enhancements, targeted upgrading of junctions linking roads to ZAAP access routes and technical studies not covered under the GFPP and MCDF grants. Investments will be drawn from a preselected sample of about 209 km of roads. By improving the condition,

resilience, and safety of these strategic links, the sub-component will reduce transport bottlenecks, improve reliability of access to markets and logistics corridors, and strengthen the integration of agricultural production zones with the national transport network.

- 3.1.10 **Sub-component 3.3 Development of smart and climate-resilient agriculture logistics** (USD6.0 million, of which USD2.0 million is financed by WB, USD2.0 million by AIIB and USD2.0 million by EIB). This sub-component will pilot a digitally enabled first and last-mile logistics solution in selected ZAAPs, in coordination with a private transport service provider and IFC. It will support the deployment of a digital platform to improve matching transport demand and supply for farm-to-market and market-to-farm movements, combined with targeted equipment and vehicles to improve efficiency and reduce empty backhauls. The pilot will also support onboarding and training of farmers, cooperatives, transport operators, and local small and medium enterprises, and will track performance indicators such as transport cost per ton-km, delivery times, service reliability, and user uptake. The objective is to test a scalable rural logistics model that improves service availability, lowers logistics costs, strengthens climate resilience, and expands access for women and youth in targeted agricultural value chains.
- 3.1.11 **Sub-component 3.4 Support to road maintenance strategies and policies** (USD9.0 million, of which USD3.0 million is financed by WB, USD3.0 million by AIIB and USD3.0 million by EIB). This sub-component will strengthen the sustainability of road investments by improving maintenance planning, financing, implementation, and oversight. It will support the development of a rural road development strategy and a road maintenance strategy and provide technical assistance and capacity building in asset management, contract management, supervision, and climate-resilient maintenance practices. The sub-component will also pilot two complementary maintenance approaches: integration of rehabilitated roads into SAFER-financed maintenance programs, and community-based maintenance arrangements for selected feeder roads implemented with decentralized authorities, local labor, and small and medium enterprises. These pilots will help clarify institutional responsibilities, test scalable maintenance models, and support the long-term durability of Project-financed road assets.
- 3.1.12 **Component 4: Technical Assistance and Project Management** (USD12.0 million, of which USD10.0 million is financed by WB and USD2.0 million by AIIB). This component will strengthen the institutional and implementation capacity required to deliver the Project effectively and sustain its results over time. It will support project management, coordination, fiduciary functions, monitoring and evaluation, and environmental and social management, while also helping key sector institutions strengthen governance, road safety, and climate-resilient asset management. In addition, the component will finance targeted technical assistance, capacity building, and preparatory work for future phases of the program, including support for more sustainable maintenance arrangements, stronger sector institutions, and greater inclusion of women in the transport and logistics sector. As such, the component is designed not only to support effective implementation of the Project, but also to improve long-term capacity and readiness for scale-up.
- 3.1.13 **Sub-component 4.1: Project Management** (USD10.0 million, of which USD8.0 million is financed by WB and USD2.0 million by AIIB). This sub-component will support the core functions required for effective project implementation and coordination at the national, regional, and subnational levels. It will finance the PISU activities: project management,

fiduciary functions, procurement, monitoring and evaluation, environmental and social management, communication, and day-to-day technical oversight, as well as preparation of work plans, budgets, and progress reports. The resettlement expenditures for project-affected people will not be supported by AIIB (only under WB share). The sub-component is intended to see that implementation arrangements are adequately resourced, and that project execution remains coordinated, compliant, and results-oriented throughout the implementation period.

- 3.1.14 **Sub-component 4.2: Technical assistance and capacity building activities** (USD2.0 million is financed by WB). This sub-component will strengthen the capacity of key transport sector institutions. It will finance targeted training, institutional strengthening, and technical assistance to improve governance, road safety, climate-resilient asset management, and service delivery across relevant entities, including National Road Safety Office (ONSR), SAFER, MTPI, and MTDPR. It will also support the development of more sustainable maintenance arrangements, including community-based maintenance mechanisms, and a paid internship program for selected students in the transport and logistics sector, with a focus on female students.

3.2 Cost and Financing Plan

The total Project cost is USD385 million, financed by USD75 million from AIIB, USD200 million from WB, USD90 million from EIB, and USD20 million from the private sector. The front-end fee will be capitalized and paid from the loan account, whereas the commitment charges, and interest during construction will be paid by the borrower using his own resources. The Government of Togo has selected the EUR as the loan's currency and requested the use of AIIB SFW to buy-down the interest rate up to 100 basis points. Considering the proposed amortization profile,²² the indicative SFW amount is USD15,054,167.²³ The financing is inclusive of taxes.

²² A final maturity of 35 years and a five year grace period

²³ This is an estimate, which will be recalculated upon loan signing / loan approval.

Table 1. Project Cost and Financing Plan

Item	Project Cost (USD million)	Financing (USD million)			
		AIIB	WB	EIB	Private Sector
Component 1 – Railway connectivity and logistics between PAL and PIA	120	28	72		20
<i>1.1: Railway rehabilitation between PAL and PIA</i>	<i>112</i>	<i>25</i>	<i>67</i>		<i>20</i>
<i>1.2: Technical assistance to railway operations</i>	<i>8</i>	<i>3</i>	<i>5</i>		
Component 2 – Port-city integration and urban mobility	48	15	33		
<i>2.1: Priority port access, freight circulation, and readiness investments</i>	<i>38</i>	<i>10</i>	<i>28</i>		
<i>2.2: Preparation of integrated urban mobility and network-level improvements</i>	<i>10</i>	<i>5</i>	<i>5</i>		
Component 3 – Road Infrastructure and logistics development	205	30	85	90	
<i>3.1: Rehabilitation and improvement of prioritized feeder roads</i>	<i>105</i>	<i>10</i>	<i>40</i>	<i>55</i>	
<i>3.2: Rehabilitation and improvement of prioritized national and secondary roads</i>	<i>85</i>	<i>15</i>	<i>40</i>	<i>30</i>	
<i>3.3: Development of smart and climate-resilient agriculture logistics</i>	<i>6</i>	<i>2</i>	<i>2</i>	<i>2</i>	
<i>3.4: Support to road maintenance strategies and policies</i>	<i>9</i>	<i>3</i>	<i>3</i>	<i>3</i>	
Component 4 – Technical Assistance and Project Management	12	2	10		
<i>4.1: Project Management</i>	<i>8</i>	<i>2</i>	<i>6</i>		
<i>4.2: Technical assistance and capacity building activities</i>	<i>4</i>		<i>4</i>		
Grand Total	385	75	200	90	20

B. Implementation Arrangements and Readiness

3.3 Implementation arrangements.

3.3.1 Implementation arrangements. The Republic of Togo, represented by its Ministry of Finances and Budget (MFB), will be responsible for the effective management and overall administration of AIIB loan. The Project will be implemented through a three-tier institutional arrangement comprising: (i) a Project Steering Committee (PSC), chaired by the MTDP, responsible for strategic oversight, policy coherence, and inter-ministerial coordination, with representation from the ministries responsible for transport, maritime economy, finance, public works, planning, agriculture, and territorial planning and urban development, as well as the Director of PAL; (ii) a Technical Committee, chaired by a senior representative of the MTDP, responsible for quality assurance of technical design, implementation progress, and performance, and composed of senior representatives of the relevant ministries and PAL; and (iii) the PISU, housed within the MTDP, with overall fiduciary and coordination responsibility.

- (i) Project Management Unit: The PISU will be established under the MTDPR. It will hold overall financial management responsibility for the Project. The implementation and monitoring of technical activities under Sub-component 3.2 will be delegated to the MTPI.
- (ii) Procurement arrangement. Procurement and contracts management responsibility will be under the responsibility of the MTDPR except for Sub-component 3.2, where MTPI will be responsible. The Project will follow WB procurement policies.
- (iii) Financial Management (FM) arrangements: The PISU will be overall responsible for FM and disbursement arrangements under the Project. WB has conducted a comprehensive FM assessment of the MTDPR, focusing on a review of funds flow, staffing, accounting policies and procedures, financial reporting, monitoring and audits. AIIB is satisfied with WB's FM assessment capacity. AIIB's assessment and its results are mainly based on WB's findings. WB will provide FM and disbursement-related services in accordance with WB-AIIB Co-Financing Framework Agreement standard terms, and a project-level Co-lenders' Agreement further detailing such agreements. Such services will include sharing the results of periodic financial report reviews, annual audits of project financial statements, reviews of withdrawal applications, and any other FM-related activities.
- (iv) E&S arrangements: The Project will apply WB's Environmental and Social policy – the Environmental and Social Framework (ESF) – to manage environmental and social risks, focusing on issues such as land acquisition, resettlement, labor management, and stakeholder engagement. The Stakeholder Engagement Plan (SEP) and the Environmental and Social Commitment Plan (ESCP), equivalent to AIIB's ESF, have been prepared and published on the financiers' and borrower's websites.²⁴ Several draft instruments, including Environmental and Social Impact Assessments (ESIAs) for Components 1 and 3, Resettlement Action Plan (RAP), and a Grievance Mechanism, will be finalized during the early stages of project implementation and before commencement of works. The ESIAs and ESMPs for each component will be prepared separately. The Banks have reviewed the ESIAs TOR for Components 1 and 3. ESIAs TOR for Component 2 and partially for Component 3 will be reviewed during implementation. Environmental impacts are considered moderate and manageable, while social risks are significant due to vulnerable populations and complex land tenure; thorough planning, ongoing studies, and external advisory support, which are intended to ensure effective mitigation and compliance. WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews WB's compliance with its own policies and procedures, will handle complaints relating to WB's compliance with its ESF with respect to the Project.
- (v) Project implementation plans and Project operations manual (POM): A POM is currently under development by the PISU. It will detail all implementation coordination and management functions within the Project. The PISU will be required to provide the POM within three months after the effectiveness of WB's financing.

²⁴ [Togo's Ministry of Transport, Rural Access and Feeder Roads](#)
[World Bank PASLT project page](#)

3.3.2 Implementation period. The Project will be implemented over a period of five years, from June 2026 to June 2031

3.3.3 Implementation Readiness. The Project benefited from several preparation sources. Under Component 1, WB mobilized resources from the GFPP to finance the feasibility study, preliminary and detailed design and the overall Project's E&S instruments. Under Component 3, MTPI financed on state budget FS and DEDs for 200 km of secondary roads. AIIB has also applied to MCDF to improve the readiness and quality of technical and E&S studies for approximately 100 km of secondary roads. The remaining sections are financed through the loan savings of other ongoing WB-funded projects.

- (i) Status of feasibility studies, procurement, land acquisition: For Component 1, procurement and contracting process for the technical studies of the railway component have been carried out. The preliminary and detailed engineering design, along with the preparation of bidding documents are expected to be ready in the third quarter of 2026.

For Component 2, the studies on the urban roads to be rehabilitated in the port area, will be transmitted to and verified by the financiers as they become available.

For Component 3, roughly two thirds (~800 km) of the rural roads identified for the Project already have technical and environmental studies, one third does not have any studies. In addition, circa 100 km of national roads already have studies. AIIB has applied to MCDF to fund the improvements and update of technical and E&S studies for these sections, as well as 100 km of rural roads. They will be completed during the project implementation phase. The technical quality of the studies will be verified by the financiers and environmental and social safeguard instruments will be developed as part of the preparation of the Project.

3.4 Monitoring and Oversight. The PISU will be responsible for monitoring and evaluating the Project, including assessing physical and financial progress, as well as the implementation of E&S instruments, and preparing monthly and quarterly progress reports.

3.5 AIIB or Partner Implementation Support. While WB will take the lead in supervising the Project in accordance with WB's applicable policies and procedures, AIIB will closely coordinate and cooperate with WB and will (i) undertake joint 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.

4. Project Assessment

A. Technical

4.1 Project Design. The Project builds on the recommendations of several recent studies and projects, in particular the Lomé–Ouagadougou–Niamey Economic Corridor Project (PCE-LON, P168386), the Sustainable Agriculture Transformation Program (P180580), which are both WB-funded, and the Greater Lomé Sustainable Urban Mobility Plan. It is designed around three key priorities: (i) improving railway connectivity between PAL and PIA to enhance the efficiency of port and industrial operations and decrease urban mobility and logistics conflicts in the GLMA; (ii) linking agricultural centers and ZAAPs with the core road network to facilitate agricultural value chain development, export through PAL and enhance climate resilience; and (iii) improving urban infrastructure and services to enhance mobility conditions, climate resilience and safety in GLMA.

The key design features under Component 1 are:

- The rehabilitation of the rail link between PAL and PIA: This is a metric gauge, 37 km (to which is added a 3 km port area approach) single track system with 15-ton axle load, ramping up to 1.2%, and minimum curve radii of 200 m. It includes several existing branches—towards Tabligbo, the port area, Ghana, and legacy phosphate lines—many of which are not currently in service. Multiple rail crossings constrain operations across the Lomé urban area, requiring elimination or improved protection and require rehabilitation works such as drainage structure repairs and modernization of the railway equipment.
- The establishment of a freight transshipment station at PIA, with an annex of the dry port to the north of the industrial park.
- The construction of a station, tracks for the loading and unloading of container trains at the PAL.
- The construction of three intermediate stations allowing trains to cross.
- Support for the government in the choice of the operating plan and the operator of this railway infrastructure and freight transport service.

4.2 The expected project design includes the development or upgrading of two freight terminals, enhancements to line capacity through additional crossing stations, and the installation of a modern rail traffic management system (ERTMS Level 3) signaling system to facilitate safe and efficient operations. Rolling stock specifications include six-axle locomotives compatible with metric gauge, and fleets of flat wagons (up to 45 feet containers) and hopper wagons for bulk transport. The feasibility study scope currently under development will conclude over the technical, economic, financial, environmental and social dimensions, along with institutional arrangements, demand forecasting, and assessment of incentives needed to shift freight from road to rail.

4.3 The expected benefits remain robust under current congestion conditions in the GLMA, as they are primarily driven by a modal shift from a road-dominated freight system to a dedicated rail-based logistics chain. Given that the railway operates on a rehabilitated, self-contained corridor with defined capacity and operational parameters, the Project's benefits—namely reduced transport costs, improved reliability, and enhanced safety—are independent of urban road congestion.

4.4 On Component 3, a total linear of 1,259 km of rural roads and 597 km of national roads were proposed by the MTDPR and MTPI for the Project financing. The linear design was integrated in the Project on the basis of the following criteria: (i) maturity of the technical studies (quality and availability) of the

roads and tracks; (ii) timetable for the operationalization of the ZAAPs connected by the selected tracks and roads; (iii) population served; and (iv) access to basic socio-economic infrastructure (e.g. schools and health centers). The regional distributions are as follows:

Table 2. Distribution of the road network by region and availability of studies (km)

	Savanes	Kara	Centrale – Mô	Plateaux	Total
Rural Tracks	243	649	136	231	1,259
Existing studies	40	573	-	189	802
Studies not available	203	76	136	42	457
National roads	120	57	111	103	391
Existing studies	98	-	111	-	209
Studies not available	22	57	-	103	182

In coordination with WB-funded Urban Transformation Project currently under preparation, the Project is considering as much as possible the networks to connect the targeted areas to the major agglomerations, in particular in Kara, and to the RN1, which is the main road corridor that connects all the regions to Lomé and its port.

4.5 Operational Sustainability. The operational sustainability of the Project is ensured through a comprehensive approach that strengthens institutional capacity, establishes robust mechanisms for ongoing operation and long-term maintenance (O&M) and aligns project implementation with domestic governance structures and cycles. Key sector agencies, including the General Directorate of Road and Rail Transport and rural roads of the MTDPR, the road fund SAFER and the General Directorate of Public Works of the MTPI, will benefit from targeted capacity building and institutional strengthening to support effective long-term management and routine maintenance. In the road sector, the Project will support community-based maintenance organizations and implement climate-resilient maintenance schemes to facilitate continued upkeep and adaptability to changing conditions. Under sub-component 3.3, the Project will strengthen the sustainability of road investments by improving maintenance planning, financing, implementation, and oversight by developing a rural road development strategy and a road maintenance strategy. For the railway sector, the ongoing FS is laying groundwork for sustained rail asset maintenance. The Project also embeds mechanisms for collecting essential data for monitoring and evaluation (M&E), with clear responsibilities and dedicated financing to ensure the M&E function is properly supported. Importantly, the Project design considers domestic budget cycles and institutional constraints, ensuring that timeframes and processes are realistic and attuned to the national context. Stakeholder ownership is promoted through participatory engagement during both preparation and implementation, fostering shared vision, accountability, and collaborative relationships that will help sustain project outcomes and benefits well beyond the period of AIIB Project financing.

B. Economic and Financial Analysis

4.6 Economic Analysis of the Project. An economic analysis has been undertaken to provide a detailed estimate of the expected benefits, for Component 1 and Component 3. The analysis follows a standard cost-benefit evaluation framework where economic costs are incurred by (i) the rail line, and (ii) the road

infrastructure is evaluated against their economic benefits. Given the varying cost-benefit structures of the different activities, the analysis was undertaken for the two specific activities and then aggregated to encompass both Project components.

4.7 To gauge the Project's economic viability throughout its lifespan, the Economic Internal Rate of Return (EIRR) and Net Present Value (NPV) were calculated using a discount rate of 6%, comparing the two scenarios and using the shadow price of carbon. The assessment conducted considers the social, economic, and environmental impacts of both components by contrasting the “without-project” and “with-project” scenarios.

4.8 Through its railway component, the Project generates significant socio-economic benefits. These benefits include lower freight operating costs and road maintenance costs, improved road safety, and environmental benefits from lower emissions per ton-kilometer. Upgrading road connections to secondary cities and agricultural zones in Togo will bring significant economic benefits, including reductions in vehicle operating costs, travel time savings, road safety improvements. The economic costs of Components 1 and 3 analyzed under the economic evaluation include a combined investment cost of USD145 million and O&M costs.

4.9 Results indicate that the overall Project is economically feasible, estimating a positive NPV and an EIRR exceeding the discount rate.

Table 3: Economic analysis summary aggregating the rehabilitation of the rail freight link between PAL and PIA and the rural road infrastructure.

*In USD million	Base		+10% CAPEX (rail) & +25% CAPEX (road)	
	NPV*	EIRR	NPV*	EIRR
rail link between PAL and PIA	35.2	9.1%	23.8	7.9%
rural road infrastructure	89.1	23.4%	75.9	18.3%
Overall	124.3		99.7	

4.10 **Financial Analysis of the Project.** The railway freight link is expected to be implemented under a PPP model with a vertical separation between infrastructure and operations. Under this model, the public sector will finance and procure all civil and infrastructure works—including track rehabilitation and renewal, terminal facilities at PAL and PIA, drainage, signaling, and safety upgrades at critical crossings—and will retain ownership of the infrastructure assets. The private sector will finance, procure, and operate the rolling stock (locomotives and wagons), and will bear full commercial and operational risks associated with service delivery. The private operator is also expected to act as the delegated project management entity for the infrastructure works, combining responsibility for civil works delivery with subsequent operational responsibility, thereby aligning incentives between construction quality and operational performance. Access to the infrastructure will be governed by a time-bound concession or service contract, with access charges set to remain competitive while contributing to routine infrastructure maintenance costs. This allocation of risk draws on best practices and lessons from comparable regional concession models, including the Abidjan–Ouagadougou corridor, and is designed to attract private investment while ensuring public control over a strategic national asset.

4.11 Once the railway is rehabilitated and operational, the Government of Togo will mandate a modal shift to rail, therefore ensuring a captive freight base for railway operations. In addition to this enforcement, commercial viability for this 40km-long PAL-PIA railway link is further supported by a tariff structure competitive with existing road-based shuttle. The financial analysis under the concession model shows that rail operations can achieve operational break-even at tariffs well below prevailing road freight rates, supported by high load factors and short distances. By offering a lower-cost alternative to truck transport, the railway system is expected to improve the efficiency and competitiveness of freight movements along the corridor. This cost advantage is expected to support a sustained modal shift from road to rail between PAL and PIA, while generating predictable revenues for the public infrastructure owner and facilitating private participation in railway operations.

C. Fiduciary and Governance

4.12 **Procurement.** WB is the lead co-financier, and it has been agreed that procurement under jointly co-financed contracts will be carried out in accordance with WB procurement procedures and the provisions of the Co-Financing Framework Agreement, and a Project-level Co-lenders' Agreement to be entered into between AIIB and WB. WB's Procurement Framework is harmonized with Multilateral Development Banks (MDB) procurement standards and consistent with the principles underpinning AIIB's procurement policy, including transparency, economy, efficiency, competition, value for money, and integrity, as well as prohibited practices.

4.13 The MTDPR and the MTPI will be responsible for procurement activities under their respective Project components. A PISU, established within the MTDPR, will have overall responsibility for project implementation and will serve as the sole focal point for all procurement activities under the Project.

4.14 A detailed Project-level procurement risk assessment was conducted under WB's Project Procurement Strategy for Development. While the regulatory environment was assessed as sound, the overall procurement risk was rated high. The key risk factors identified include: i) limited familiarity with MDB procurement, ii) weak institutional capacity, and shortage of qualified procurement professionals; iii) concerns regarding the level of collaboration among the ministries; iv) political interference in procurement decision-making; and v) slow decision making leading to procurement delays.

4.15 Proposed mitigation measures will include: i) the recruitment of highly qualified procurement specialists with substantial experience in MDB-financed projects; ii) the preparation of a POM and an administrative and financial management manual incorporating a dedicated procurement section; iii) capacity development through group and individual training; and iv) the engagement of consultants where capacity and/or resources are insufficient.

4.16 A procurement plan has been prepared by the MTDPR and reviewed by the financiers. The plan covers consulting services, works, and supply contracts under various contracting modalities. The selection of procurement methods and review requirements was informed by the procurement risk assessment and fit-for-purpose considerations. Due consideration was given to opportunities for contract aggregation, and the procurement arrangements include provision for early market engagement for all high-value contracts procured through international open competitive tendering (above USD10 million).

4.17 **Financial Management.** WB conducted the Financial Management assessment, which served as the basis for AIIB's desk assessment. The overall residual FM risk for the Project is Medium. The mitigation measures are as follows: (i) the Government will recruit an FM Specialist and an Accountant for PISU within three months of effectiveness of WB's financing; (ii) the new accounting system will be acquired and

installed within three months of effectiveness of WB's financing ; (iii) the project financing will be anchored within the medium-term budget framework, with explicit annual budget allocations reflected in the public investment program forming part of the Finance Law and will be included in the sector budget ceilings; (iv) the POM to be prepared within 3 months of effectiveness of WB's financing shall include details about fiduciary roles, funds flow arrangements, and financial reporting; and (v) the PSC shall approve annual work plans and budgets before the beginning of its execution to avoid any delayed validation and approval.

4.18 Budgeting: The national public financial management system will not be used to implement the Project's budget process due to limitations in fully automating budget execution and monitoring information, as per WB's requirements. The budgeting process from elaboration to execution and control will be clearly defined in the POM, including FM procedures. The annual work plan and budget (AWPB) will be reviewed and adopted by the PSC before the beginning of its execution. MTDPR will ensure that the annual draft budget will be submitted for WB's 'no objection' before adoption and implementation, and no later than November 30 of each year; periodic monitoring of budget execution and variance analysis will be prepared by the PISU and included in the semiannual unaudited interim financial reports (IFRs) to be submitted to the WB as specified in the following paragraphs. Finance staffing: the newly established PISU will be staffed with an FM specialist and an Accountant, to be recruited within three months after WB's loan effectiveness. The PISU will also accommodate the ongoing project finance staff (one FM officer and one accountant) to avoid any delay in project implementation. As a result, the project implementation will start with the recruited experts, supplemented by the existing experienced FM staff, who will be responsible for financial management and the daily management of the project account.

4.19 Accounting information system: MTDPR uses the TomPro accounting system to account for the ongoing WB project. However, this system is in a mono-project and mono-user version and cannot be customized to integrate management of the proposed project. Therefore, the new accounting software will support a multi-project, multi-site operating environment and allow transactions to be recorded by project and funding source. The system will be capable of producing financial reports in formats acceptable to development partners. Finally, the new accounting system will include the following modules to be integrated: budgeting, general accounting, cost accounting, reporting, fixed-asset management, preparation of withdrawal applications, and tracking of donor disbursements. The new accounting system will be acquired and installed within three months after effectiveness. Once the new system is installed, the PISU will need to see that relevant users are trained to keep track of and report the proposed project's expenditures in accordance with WB's FM requirements.

4.20 Accounting standards: The Organization for the Harmonization of Business Law in Africa has introduced new financial reporting requirements applicable to non-profit entities in Central and West Africa through the Accounting System for Non-Profit Entities (also called *Système Comptable des Entités à But Non Lucratif* (SYCEBNL)), effective since January 1st, 2024. The proposed Project, not being subject to any special accounting regimes, should adopt SYCEBNL. The chart of accounts should be prepared to reflect various project components to facilitate the preparation of relevant monthly, quarterly, semiannual, and annual financial statements. The annual financial statements will be prepared in accordance with SYCEBNL accounting standards and relevant International Public Sector Accounting Standards using a computerized accounting system.

4.21 Financial Procedures Manual: The POM will include FM procedures covering the following aspects: institutional arrangements; budget and budgetary control; disbursement procedures and banking arrangements; receipt of goods and payment of invoices; internal control procedures; accounting system and transaction records; reporting requirements; and audit arrangements. The financial procedures include guidance for handling project funds by any relevant entity involved in implementing

project activities, as well as annexes with template forms and reports, such as an asset control form and register; budget formats; monthly, quarterly, and semiannual reports; annual financial statements; etc. The PISU shall see that the Project is carried out in accordance with the FM procedures included in the POM.

4.22 Financial Reporting and External Audits: The MTDPR shall, through the PISU, prepare and provide to WB, not later than 45 days after the end of each calendar semester, interim unaudited financial reports (IFRs) for the Project covering that semester. The form and content of IFRs shall be satisfactory to WB and AIIB. Each time, WB will share the IFR received and the results of its review with AIIB. As per current practice for WB-funded projects, an independent auditor with qualifications and experience acceptable to WB will be recruited to conduct the annual audits of the Project's financial statements. Each audit of the financial statements covers the period of one fiscal year of the recipient, commencing with the fiscal year in which the first withdrawal was made. The financial statements audited for each such period shall be furnished to WB, through the PISU, not later than six months after the end of such period. WB will share the audit report, the management letter and the results of their reviews with AIIB.

4.23 Disbursements: Under the joint co-financing approach, WB would handle all Project disbursements in accordance with its disbursement procedures. Disbursements will be made in accordance with WB Disbursement Guidelines for Investment Project Financing (February 2017), using report-based disbursement. Available disbursement methods will include advanced disbursement to the Designated Accounts (DA), direct payments, special commitments (including letters of credit), and reimbursements. At the same time, disbursements would follow the transaction-based method for the Direct Payment procedure with full documentation. Due to the weaknesses identified in the treasury management (delays with treasury payments that result in low-budget execution rates), as it is common for WB-funded projects implemented in Togo, the Ministry of Finance, through the Treasury General, will open two segregated DAs denominated in West African CFA Franc (XOF) in a commercial bank on terms and conditions acceptable to WB. DA-A will receive funds from IDA, while DA-B will receive funds from AIIB. The Project's DAs will function under the co-signature of the project coordinator, the FM specialist and the Treasurer General. Detailed disbursement arrangements will be set out in WB's Disbursement and Financial Information Letter.

4.24 Know Your Counterparty Due Diligence (KYC). The Project Team, in collaboration with the PMD KYC team and the Bank's designated external KYC service provider has completed a comprehensive KYC assessment for the Project. This assessment encompassed all identified counterparties as well as non-contractual entities involved in the transaction.

4.25 The Project has been assigned a KYC risk rating of medium, based on the risk scoring of the evaluation. The KYC workflow has been duly finalized and approved via the IO KYC Portal.

4.26 No indicators of significant money laundering, terrorist financing, sanctions violations, bribery or corruption, tax transparency issues, or other financial crime exposures were identified during the assessment.

4.27 Governance and Anti-corruption. AIIB is committed to preventing fraud and corruption in the Projects it finances. For this Project, both WB's Anti-corruption Guidelines and AIIB's Policy on Prohibited Practices (2016), will apply. WB will take the lead in any inquiry or investigation. AIIB may conduct assurance and integrity activities in line with its financing agreement.

4.28 **Cybersecurity.** The rail infrastructure under Component 1 is a critical infrastructure, which needs protection from cybersecurity threats, ranging from data breaches to disruptive and safety-critical incidents. The National Cybersecurity Agency (ANCy) helps protect railway infrastructure in Togo by ensuring that critical transport systems are covered under national cybersecurity oversight. It identifies and audits operators of essential services and enforces security standards for their information and operational technologies, while coordinating incident monitoring and response through the national Computer Emergency Response Team. The future rail operator would therefore fall under the category of operator of essential services and be subject to a specific legal regime²⁵ provided for by the said decree.

D. Environmental and Social

4.29 **Environmental and Social Policy and Categorization.** The Project will be co-financed with WB as the lead co-financier. To support a harmonized approach to addressing the E&S risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), WB's Environmental and Social policy, the ESF, will apply to the Project in lieu of AIIB's ESP. The Bank has reviewed WB ESF and ESSs and is satisfied that (i) the ESF and ESSs are consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including the relevant E&S Standards (ESS) and the Environmental and Social Exclusion List (ESEL); and (ii) the monitoring procedures that are in place are appropriate for the Project. The Project has been classified by WB as having High Risk (equivalent to Category A under AIIB's ESP), due to the nature of the Project, scale, magnitude, and significance and diversity of its E&S impacts. The Bank's due diligence has confirmed that this Project and relevant E&S documentation are materially consistent with AIIB's ESP.

4.30 **Environmental and Social Instruments.** As the Project is processed under an IDA replenishment which ends in June 2026, WB has adopted an adaptive management approach that allows the E&S instruments and management plans to be prepared during implementation, as committed in the ESCP and consistent with AIIB's phased approach. A SEP and an ESCP have been prepared. The ESCP, which is a binding document attached to WB's loan agreement, is the guiding E&S instrument agreed upon during negotiations for WB loan. It has been substantially augmented with mitigation commitments for managing key potential E&S aspects of the project. In addition, the ESCP outlines the material actions and measures to be undertaken as part of the Project, including how the preparation is carried out of site-specific instruments: ESIA, ESMP, Critical Habitat Assessment and RAP based on ToR which were reviewed by WB and substantively supplemented by AIIB. No work will start before the corresponding E&S instruments are finalized and published. As per the Co-financing Framework agreement, AIIB will follow the lead Co-financiers' policy and procedures vis-à-vis the usage of E&S instruments.

4.31 The Project will also use, as a reference, the ESMF prepared for the PCE-LON Project to guide the preparation of ESIA/ESMP based on the proportionality principle of the ESF that other project's instrument can be used for the same projects' type, nature and scale and magnitude of impacts. This approach has been agreed and stipulated in the ESCP. Furthermore, WB has mobilized resources from GFPP and AIIB is in the process of mobilizing MCDF resources, to undertake pending project preparation, including ESIA.

4.32 **Environmental Aspects.** From the spatial aspect, the Project will be implemented in urban areas (city of Lomé), peri-urban and rural areas in the regions of Savanes, Kara, Centrale, and Plateaux. From the magnitude of impacts, infrastructure development in urban areas for railway and port rehabilitation will have environmental impacts that are low to moderate in scale and localized in the vicinity of the

²⁵ Decree n°2018-061/PR and n°2019-095/PR related to operators of essential services.

rehabilitation works. For road rehabilitation activities in rural areas that intersect with natural habitats, there is a risk that they may have adverse impacts on biodiversity.

4.33 For Component 1, the ESDD has identified that the potential impacts are moderate. They will most likely come from the rehabilitation or civil work activities that will increase the level of dust, noise and vibration, cause traffic disruption, occupational health and safety issues and potential pollution from the disposal of creosote-treated wooden and iron/steel sleepers. The ESIA ToR has included baseline surveys and assessment for noise/vibration and the identification of sensitive receptors. While most of the railway tracks in Lomé are in the urban area, a small portion of the railway track toward Adétikopé and the location of the new intermediate station are in the wetlands of Ramsar 1722 site (refer to Annex 4). Overall, this component has moderate environmental impacts.

4.34 For Component 2, the environmental impacts are generated from the rehabilitation of road infrastructure and facilities connecting the city to the port area which are minor to moderate in magnitude such as dust, noise and traffic disruption. Several positive environmental effects such as technology enabled traffic congestion reduction, noise reduction, improved road safety, and green mobility are envisaged. There was no biodiversity concerns observed from this Project area.

4.35 For Component 3, potential adverse environmental impacts from the activity are localized to the vicinity of the right of way of the roads and will not cause any habitat fragmentation. The operations of the quarries, borrow pits, and disposal sites are likely to cause community health and safety impacts and disruption to natural habitats. Based on the site visit, the magnitude of impact on the environment is minor to Plateau and GLMA region but with potential moderate impacts and risks to the Savane, Central and Kara regions especially for the activities that will take place in the area around gazette forests such as at Oti-Keran-Mandouri (Savanes) and Fasao-Malfakassa (Centrale). Therefore, the ESIA studies have included baseline surveys and assessment for noise/vibration and biodiversity aspects and the identification of sensitive receptors. In addition, applying a precautionary principle approach, the ESIA TORs for component 3 have incorporated the Critical Habitat Assessment based on the data provided by the Integrated Biodiversity Assessment Tool (IBAT) report as per WB ESF's ESS-6 requirements (See Annex 4 for more details).

4.36 **Social Aspects.** The Project will be implemented in both urban and rural areas, including GLMA and the Savanes, Kara, Centrale, and the Plateaux regions. Infrastructure development, particularly within the Project's right of way, may result in complex social impacts, such as resettlement and disruptions to the daily activities of urban residents. In urban contexts, a significant proportion of affected persons may be informal land users, tenants, and small-scale economic operators (such as informal vendors and service providers) who lack formal tenure or legal documentation, increasing the risk of economic displacement and challenges related to compensation and livelihood restoration.

4.37 The main anticipated social risks and impacts which are considered substantial include physical and economic displacement, livelihood disruption and land acquisition. Under Component 1, the social risks and impacts are considered high and relate primarily to involuntary resettlement, mostly economic displacement, and livelihood disruption associated with the clearance of the railway right-of-way. The ESDD identified instances where displacement within some sections of the railway right-of-way may have occurred prior to compensation and without sufficient advance notice, presenting potential legacy risks. In November 2025, the Lomé Port Authority and the Ministry of Territorial Administration issued notices for right-of-way clearance along the railway corridor, requiring occupants to vacate the area with only 5–10 days' notice. In response, WB sent two letters to the Government on December 12, 2025: (i) noting that the right-of-way clearance activities were not consistent with the requirements of ESS5; and (ii) requesting the

immediate suspension of all clearance activities until further notice. Based on the site visit, it is estimated that hundreds of informal vendors and service providers may have been impacted. As agreed with the MFB, a social audit, the ToR for which was reviewed by AIIB and WB, will be finalized within six months of WB loan's effectiveness. The objective of the audit is to assess compliance with WB's ESS5, document affected assets and livelihoods, verify land tenure arrangements, record all complaints and grievances, and propose any necessary remedial measures, including compensation. In addition, as per ESCP, no further right-of-way clearance shall commence prior to the preparation and implementation of the RAP. For Components 2 and 3, site-specific RAPs will be prepared and implemented, if required, before commencement of works. The audit and site-specific RAPs will be submitted for review by WB and AIIB before commencement of works. In addition, there will be commission of an external completion evaluation of the resettlement activities. All resettlement-related costs (as approved by WB Regional Vice President) will be financed by WB, including compensation which will be defined through the audit. Financing RAP costs through IDA would help ensure the timely implementation of resettlement and compensation measures, support compliance with environmental and social standards, and maintain the project implementation schedule. AIIB will not finance resettlement-related costs under the Project.

4.38 Other potential significant risks identified at this stage are related to labor management, labor influx, community health and safety including GBV issues such as Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH), and inadequate or ineffective stakeholder engagement. These risks will be managed through the implementation of the ESMP, Labor Management Procedures, and SEP. The ESIA/ESMP will include SEA/SH mitigation measures, including the mapping of relevant service providers.

4.39 In addition, the project areas exhibit significant vulnerabilities, including high poverty levels, an increasing presence of Internally Displaced Persons (IDPs), and security concerns in the northern area of the Member, which may affect project implementation and the effective application of E&S measures if not adequately addressed during project preparation and implementation. A Security Risk Assessment (SRA) and a Security Management Plan (SMP) will be prepared before implementation of activities in the Savanes region.

4.40 There are no Indigenous People within the Project area.

4.41 **Occupational Health and Safety, Labor and Employment Conditions.** 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, low levels of emergency preparedness, and exposure to communicable diseases. 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 SEA/SH. The PISU will prepare LMP in accordance with ESF to guide the management of project labor. The LMP will address gaps identified in the assessment of Togo's labor context and will include a Grievance Mechanism for project workers, with references to the project-wide grievance system and relevant national mechanisms. Consistent with the ESCP, the LMP will be prepared and adopted prior to the recruitment of project workers and will be implemented throughout the project lifecycle, with clear provisions for contractor management and worker grievance mechanisms. The LMP will be reviewed by WB and AIIB, cleared, and disclosed accordingly.

4.42 **Post approval of E&S Instruments.** E&S instruments such as ESIA/ESMP/RAPs/LMPs for each relevant component will be prepared during implementation. The ESIA/ RAP/LMPs TOR for all components have been reviewed by AIIB to meet ESP requirements. At this stage, the actions and mitigation measures presented in these documents as well as in the ESCP are considered acceptable to manage E&S risks and potential impacts. WB and AIIB E&S specialists will meet at least monthly with the PISU to monitor the

completion of each commitment in the ESCP. The existing ESMF from the LON-project will be used to develop ESIA/ESMP in the implementation stage, as stipulated in the ESCP. The geographic location of the Project is the same, covering Savane, Kara, Central and the Plateaux regions and typical E&S impacts, mitigation measures and the gaps between the current regulatory system and the MDB's standards are like the current Project, based on the site visit. WB and AIIB have agreed to use the grant funding from GFPP and MCDF for E&S readiness, capacity building efforts and regular updates with the clients to ensure all the commitments in the ESCPs are met and comply with ESF requirements. The ESIA TORs submitted to MCDF, have been reviewed by the financiers.

4.43 Stakeholder Engagement, Consultation and Information Disclosure. The Project involves engagement with a wide range of stakeholders, including governmental agencies, international and bilateral organizations, technical and financial partners, NGOs, and communities residing in the Project areas. Consultations were undertaken in March 2026 with PAPs including vulnerable groups, public institutions, civil society organizations, and academia. Participants expressed the need for a transparent and participatory process to ensure the integrity of the railway right-of-way and compliance with the law, including prior information disclosure, assessment of impacts on affected people and their assets and livelihoods, and, where relevant, appropriate support and compensation measures. The ESCP and SEP have been reviewed by both WB and AIIB, disclosed on WB and AIIB websites in accordance with AIIB ESF's requirements. The documents were disclosed on WB/MTDPR website on April 29, 2026, and on AIIB's website on May 22, 2026. The SEP which will be implemented throughout project implementation identifies stakeholders, outlines engagement methods for different stakeholder groups, and defines the Grievance Redress Mechanism (GRM).

4.44 Project Grievance Redress Mechanism. A Project-wide GRM is outlined in the SEP, with appropriate references to both the overarching Project grievance system and existing national mechanisms in Togo and will be operational within four months of loan effectiveness, with interim arrangements in place building on existing mechanisms under the PCE LON project. The GRM will be culturally appropriate and easily accessible to all project-affected parties, free of charge and without retaliation, and will allow for anonymous submissions. The GRM shall also safely and confidentially receive, record, and address SEA/SH-related complaints, with dedicated entry points for survivors and clear referral pathways to provide survivor-centered support through identified GBV service providers in the Project area.

4.45 Bank's Project-Affected People's Mechanism. As previously noted, WB's ESF applies to this Project. WB's corporate GRS and its independent accountability mechanism, the Inspection Panel, which reviews WB's compliance with its own policies and procedures, will handle complaints relating to WB's compliance with its ESF with respect to the project. In accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions made to the PPM regarding such complaints under the Project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. Information on WB's Inspection Panel is available at <http://www.inspectionpanel.org>.

4.46 Proposed Monitoring and Supervision Arrangements. The PISU, currently coordinated by the Project implementation unit under PCE-LON, will be established within MTDPR during implementation. The PISU, including dedicated environmental and social specialists, is expected to be fully staffed within three months of Project effectiveness, in line with the ESCP requirements, while interim implementation arrangements under PCE-LON remain in place. The PCE-LON project implementing unit has some experience with the application and implementation of World Bank environmental and social safeguard policies. The overall E&S performance for the LON project is rated as Moderately Satisfactory.

Implementation of the RAP is generally progressing in line with civil works requirements and remains broadly consistent with the Bank's requirements. However, challenges persist in the management of construction-related impacts, particularly dust emissions and road safety risks.

4.47 During implementation, E&S performance will be monitored through regular reporting, site supervision, and implementation of corrective actions, as needed. The ESCP defines the key commitments, milestones, and reporting obligations to support the effective management of E&S risks and impacts throughout Project implementation. AIIB will continue to work closely with WB to support the PISU in finalizing and implementing the applicable E&S instruments and in adhering to the ESCP. Quarterly E&S reports will be prepared and submitted to WB and AIIB. In addition, joint implementation support missions will be conducted throughout Project implementation at least on a semi-annual basis.

E. Climate Change

4.48 **Geography:** Togo's topography is diverse, stretching across 54,600 km². In the north, the land consists mainly of gently rolling savannah and hills. The central region features a broad plateau, while to the west, the Togo Mountains (including Mount Agou, Togo's highest point) rise and run roughly southwest to northeast. These mountains are part of the Atakora range, which extends into neighboring countries. The southern part of Togo descends into a flat coastal plain along the Gulf of Guinea, marked by lagoons, marshes, and low-lying sandy shores. This varied terrain contributes to Togo's ecological and climatic diversity.

4.49 **Physical Climate risks:** Higher temperatures, precipitation and flood risks are some of the most significant climate risks among others. With regards to temperatures, historical surface temperatures range between average Lows of 20 °C to highs of up to 36°C with the average circulating between 25°C and 30°C, with the first quarter of each year bearing the hottest months. These are expected to increase by up to 2.1°C by 2080 under the SSP2-4.5 future climate scenario and up to 3.24°C under the SSP5-8.5 future climate scenarios, noting an increasing trend towards higher temperatures in the future. Further, future projections show a significant rise in the number of extremely hot days (Tmax > 35°C), driven by increasing temperatures. During the historical period (1995–2014), Togo experienced an average of 57 hot days per year. Under the SSP3-7.0 scenario, this number is expected to increase to 105 hot days per year by 2040–2059, which is equivalent to approximately 3.5 months. With regards to precipitation, from 1950 to 2023, historical annual precipitation in Togo ranged between 1000 and 1700 mm, showing significant interannual variability, with an average of 1309 mm from 1990 to 2020. The 50-year trend from 1971 to 2020 indicates a significant decrease of 38 mm per decade, or a 2.9% reduction in rainfall per decade. Regionally, the 50-year decline is most pronounced in the Maritime region (4% decrease), while the Savanes region shows the smallest change (0.4% decrease). However, contrary to the historical trend, total rainfall in Togo is expected to increase by mid-century. Under SSP3-7.0, the median precipitation changes projected for 2040–2059 compared to 1995–2014 is 36 mm, reflecting a 2.6% increase with respect to the historical period (1995–2014), and 3.8% change by 2080–2099. Intense precipitation events are expected to become more frequent, with their return periods decreasing. Extreme precipitation events with return periods of 100 years are projected to occur 2.31 times more frequently by mid-century (2035–2064) under the SSP3-7.0 scenario, compared to historical data from 1985–2014. This means that what was historically a 100-year event will occur approximately every 44 years by 2050. These risks will also increase potential for flooding risks with Togo having high exposure to river flooding. Rural areas in the Savanes, Kara, and Centrale regions face additional risks from wildfires, extreme heat, and drought. The Greater Lome Area is moderately exposed to storm surge and sea level rise. Climate change impacts heighten the likelihood of floods, wildfires and drought episodes resulting in infrastructure degradation and service disruptions.

4.50 **Physical Climate mitigants:** The Project is designed to address these risks by strengthening the resilience of transport infrastructure and services at a network level, thereby enhancing the resilience of the agriculture and trade sectors, as well as the communities they serve. Investments include the rehabilitation of the railway line between PAL and PIA in Lomé, investments to improve congestion in the PAL- Lomé interface and the rehabilitation and upgrading of prioritized national, secondary, rural and urban roads. Roads will be selected for rehabilitation based on their vulnerability and exposure to climate risks and their criticality for transport network resilience. All the works and assessments at a component level will incorporate climate-resilient standards to ensure year-round connectivity and improve the durability of infrastructure under future climate conditions. Given the early stage of the design of each project component, specific climate change vulnerability assessments will be integrated into each sub-components ESDD which will then inform and be integrated into the scope and final design of each component to identify high-risk hotspots and define targeted resilience measures such as upgrading drainage systems and reinforcing slope embankments and improving flood protection structures. This will be further supplemented by the integration of dedicated implementation teams at the framework level which will include a steering committee, technical committee and the Project implementation support unit which will all be supported with technical assistance.

F. Gender Aspects

4.51 Gender inequality and women's economic empowerment remain a key development issue in Togo, as it ranks 150th in the UN 2023 Gender Inequality Index (GII),²⁶ amongst the most inequal in the world. Togolese women face constrained access to educational and health services compared to their male counterparts. Only about 14.3% of adult women access secondary education, compared to adult males at 33.3%. These factors coupled with other social norms and cultural barriers place a constraint on women to participate in formal employment or to access job in technical fields. Women may face harassment and social bias, discouraging them from benefiting from transport sector reforms. Furthermore, the influx of construction workers may increase risks of SEA/SH for women and vulnerable groups. To the transport and logistics sector, women's representation remains limited, making up less than 4% of labor participation in freight transport companies²⁷ and are mostly in the form of administrative roles. Overall, these gender disparities restrain women's economic opportunities in Togo.

4.52 The gender-sensitive measures planned for the Project address different gender opportunities. In the logistics sector, they will consider the specific transportation needs of women farmers to accommodate for pickups and secure affordable services despite shipment size. In the freight transport sector, they aim to boost women's representation in driving and maintenance roles by subsidizing driving lessons and driver's license fees, as well as preparing a targeted employment plan (including features such as parental leave and anti-sexual harassment training in the workplace). Additional trainings will be provided to support female farmers, agro-entrepreneurs and cooperatives, and boost women's representation in the agriculture workforce with at least 51% of women's beneficiaries. During both the construction and operation stages, the Project will aim to strengthen the enforcement of measures against GBV and workplace sexual harassment. It includes training modules to prevent exploitation, abuse, harassment, and human trafficking and focuses on improving access to quality health and GBV services, particularly in rural communities.

4.53 The ESIA's will aim to identify differentiated impacts of the Project on women and men, assess gender-specific vulnerabilities, facilitate equitable access to project benefits, particularly employment

²⁶ United Nations Development Programme: Gender Inequality Index (GII)

<https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>

²⁷ World Bank, ENSAE, 2016. Industrie du Transport Routier de Marchandises Togo.

and livelihoods, and inform targeted mitigation and enhancement measures embedded in site-specific ESMPs, LMP and SEP. The instruments should set out prevention, reporting, and response measures, including codes of conduct, worker training, confidential and survivor-centered reporting pathways, referral to appropriate service providers, and monitoring arrangements.

G. Risks and Mitigants

4.54 The overall risk of the proposed project is considered High, due to the risks associated with: (i) the political, governance and sector contexts; (ii) institutional capacity; (iii) technical designs; (iv) security; and (v) environmental and social aspects.

Table 4: Summary of Risks and Mitigating Measures

Risk Description	Assessment (H/M/L)	Mitigation Measures
Technical designs		
Insufficiency in the quality of the design	M	- Under Component 1, the technical design is elaborated by a renowned international firm, with oversight from WB and AIIB technical teams. - Under Component 3, the quality of the design for the sections envisaged for financing by MCDF will be reviewed by WB/AIIB technical teams. The same will apply under Component 2.
Implementation capacity		
Government capacity is constrained in terms of inter-agency coordination and implementation	H	- The PISU is interministerial with a large delegation of technical activities to the relevant line ministries. - Some of the PISU staff will come from the current PISU under the WB-funded PCE-LON project.
Security		
Risk of security-related incidents and cross-border security threats from the Sahel in the Northern Togo (Savanes Region)	H	An SRA and SMP will be prepared by the PISU for the activities in the Savanes region.
Financial management		
Due to a lack of staffing capacity, absence of adequate FM procedures and accounting software, there is a risk that project accounting and reporting will not be satisfactory.	M	MTDPR will recruit additional FM staff for the PISU, arrange the development of a POM with detailed FM chapters, and procure accounting software. Please refer to the FM paragraphs for further details.
Procurement		
Key procurement risks include limited familiarity with MDB procurement	H	Procurement will be carried out in accordance with World Bank procedures, which incorporate robust oversight,

Risk Description	Assessment (H/M/L)	Mitigation Measures
procedures, weak institutional capacity and a shortage of qualified procurement professionals, inadequate inter-ministerial coordination, political interference in procurement decisions, and slow decision-making resulting in procurement delays.		transparency, and accountability mechanisms. ▪ The PISU will be staffed with experienced and highly qualified procurement specialists to ensure the efficient and compliant implementation of procurement activities. ▪ The development of a Project Operations Manual will help standardize, streamline, and strengthen the monitoring and management of procurement processes.
E&S risks and impacts during construction and operation		
▪ Substantial E&S risks during construction	H	▪ All environmental and social risks are expected to be addressed by the adoption of appropriate E&S instruments in accordance with WB's ESF before construction starts as per negotiated ESCP. If during post loan approval, the ESIA or social audit reports reveal that the risk is too high; the source of risk will be identified and risk mitigation hierarchy will be applied (avoid, minimize, mitigate and compensate) as agreed by the co-financiers and the client. In case the residual risk is still unacceptable, there would be a possibility to exclude the activity from AIIB financing and reallocate this component as per the Loan Agreement.

Annex 1: Results Monitoring Framework

Project Development Objective (PDO):	To enhance climate resilient road access in targeted high-potential agriculture zones, efficient logistics and urban mobility in Greater Lomé								
Indicator Name	Unit of measure	Base-line Data YR2026	Cumulative Target Values				2031	Data source / Methodology	Responsibility
			2027	2028	2029	2030			
PDO Indicators: (Outcome indicators measure each aspect of the PDO and are to track progress toward the achievement of the PDO)									
1. ZAAPs connected with all-season road access	Number	0	0	3	20	30	40	Annual	MTDPR
2. Direct users that benefit from improved access to sustainable transport infrastructure and services	Number of people	0	0	200,000	250,000	350,000	400,000	Annual	MTDPR
3. Transport costs between the PAL and the PIA (for 20ft container)	Amount (USD)	7	7	7	2.5	2.5	2.5	Annual	PISU
4. Average travel time on Lomé ring road and selected urban corridors	Minutes	60	60	50	40	30	30	Annual	MTDPR
Intermediate Results Indicators: (To measure key intermediate results under each component that are necessary for showing progress toward achieving PDO. They can capture outputs or short-term outcomes.)									
Component 1									
1. Number of kilometers of rail line rehabilitated, including the installation of signaling system	km	0	0	0	40	40	40	Annual	MTDPR
2. Freight transshipment stations at the PIA and PAL are built and operational	Yes/No	No	No	No	Yes	Yes	Yes	One time	MTDPR
3. The contract with the concessionaire is signed	Yes/No	No	No	Yes	Yes	Yes	Yes	One time	MTDPR

Project Development Objective (PDO):	To enhance climate resilient road access in targeted high-potential agriculture zones, efficient logistics and urban mobility in Greater Lomé								
Indicator Name	Unit of measure	Base-line Data YR2026	Cumulative Target Values				2031	Data source / Methodology	Responsibility
			2027	2028	2029	2030			
Component 2									
1. Length of climate-resilient and safe urban roads rehabilitated	Km	0	1	3	4.5	4.5		Annual	PISU
2. Upgraded road sections equipped with road safety features compliant with safety standards	Percentage	0	20	60	100	100	100	Annual	PISU
3. Urban mobility governance structure is adopted	Yes/No	No	No	No	Yes	Yes	Yes	One time	MTDPR
Component 3									
1. Rural roads rehabilitated with climate resilience measures (by region)	Km	0	30	100	280	400	500	Annual	MTDPR
2. National roads rehabilitated with climate resilience measures (by region)	Km	0	0	10	40	50	60	Annual	MTPI
3. Average motorized travel time from project targeted agricultural zones (ZAAPs) to nearest villages/markets used as collection points	Minutes	23	23	20	15	15	15	Annual	PISU

Annex 2: Project Economic and Financial Analysis

The objective of the economic analysis is to identify and quantify the benefits and costs associated with the Project with respect to Component 1 (railway line) and Component 3 (road infrastructure) and assess the economic viability comparing with and without project scenarios over the project lifespan. The cost benefit analysis is carried out by using the discounted cash flow technique to obtain the EIRR and NPV for the proposed investments linked with the Project, with a discount rate of 6% for both components. This is followed by a 'sensitivity analysis' carried out by increasing or decreasing the critical factors affecting the cost and benefit streams of the proposed project, to ascertain their effect on the economic feasibility indicators i.e. NPV, EIRR. This cost benefit study is carried out using the guidelines stipulated by World Bank in "the Shadow Price of Carbon in Economic Analysis – 2024 Guidance Note" and "Measurement for Mitigation: Greenhouse Gas Analysis for Low-Emissions Transport. 2016" (for the estimations of GHG emissions savings) and WB Roads Economic Decision model (for Component 3).

Methodology. The project network is analyzed under the two scenarios: (i) a "with-project" scenario, which includes (i) the rehabilitation of the rail link between PAL and PIA under Component, and (ii) the implementation of the rural road infrastructure under Component 3; and a "without-project" scenario, which reflects the baseline situation in which none of the Project components are implemented. Given the varying cost-benefit structures of the different activities, the analysis was undertaken for the two specific activities and then aggregated to encompass both project components. To check the reliability of the results, sensitivity tests were conducted: (i) a 10% capital cost overrun the rail component; (ii) a 25% capital cost overrun the road component; and (iii) on road safety improvements.

Rehabilitation of the rail link between PAL and PIA. The economic evaluation of the railway component considers the infrastructure (publicly owned) and the services (privately operated) in a system-level approach. The economic analysis compares "with-project" and "without-project" scenarios and captures benefits enabled by the mandatory modal shift from road to rail planned for the Project. Benefits include lower freight operating costs and road maintenance costs, improved road safety, and environmental benefits from lower emissions per ton-kilometer. The investment costs are estimated at USD85million for infrastructure rehabilitation, systems and equipment, and USD6,4million per trainset. Incremental operating and maintenance expenditures are also considered. Economic viability is assessed through Economic Net Present Value (ENPV) and EIRR, complemented by sensitivity analysis.

Based on preliminary projections, the number of trainsets required to handle the operations will have to be increased, from a limited but robust short-haul service to more significant activities, as the PIA expands and transit traffic grows.

Table 5: Number of Trainsets

Traffic projections (TEU/year)	Number of trainsets	Year
100,000	3	2028
160,000	4	2037
210,000	5	2047

Modeling the impact over the 30 years of the Project's lifetime indicates an annual reduction of 290,000 tons of CO₂ emissions, translating to a total decrease of 24% in GHG emissions compared to the no-project scenario where the line is not rehabilitated and freight is transported by truck only. There is an estimated valuation of USD421.6 million for the gains associated with avoided road costs, USD23.4 million with the reduced road maintenance, USD11.7 million in improved road safety, and USD43.6 million for the gains

associated with reduced GHG emissions over the Project's lifetime. By discounting cash flows over the Project's duration, the ENPV reaches USD35.2 million, accounting for operating savings, road safety, environmental benefits, and investment costs, demonstrating that the Project offers attractive economic returns and sustainable environmental benefits.

Table 6. Economic analysis summary for Component 1 related activities

	Base		+10% CAPEX		+10% OPEX		+10% CAPEX +10% OPEX	
	NPV*	EIRR	NPV*	EIRR	NPV*	EIRR	NPV*	EIRR
in million USD	35.2	9.1%	23.8	7.9%	26.4	8.4%	15.0	7.2%

Rural road infrastructure. The economic evaluation of the rural road component is conducted using the World Bank Roads Economic Decision model, consistent with the WB guidelines for the appraisal of road investments with moderate traffic levels. The economic analysis compares a “with project” and a “without project” scenarios over the project life cycle (20 years). Benefits include reductions in vehicle operating costs, travel time savings, and road safety improvements. Costs include capital investments (USD52.8 million), routine and periodic maintenance, and residual values, converted into economic terms using standard conversion factors. Project viability is assessed through the estimation of the ENPV and EIRR, with sensitivity analysis undertaken to test robustness to changes in key parameters such as traffic growth, costs, and benefits.

The model was applied to a representative sample of feeder roads for which detailed technical studies are available in the Kara and Centrale regions. The ex-ante analysis indicates that investments in feeder road rehabilitation are economically justified, yielding an average EIRR of 23.4% and an ENPV of USD89.1 million. A sensitivity analysis was conducted, assuming a 25% increase in road investment costs. Under this downside scenario, the project investments remain economically viable with an overall EIRR and ENPV of respectively 18.3% and USD75.9 million.

Table 7. Economic analysis summary for Component 2 related activities

Base		+25% CAPEX	
NPV*	EIRR	NPV*	EIRR
89.1	23.4%	75.9	18.3%

Summary. Overall, the Project is economically viable as the EIRR and NPV for both components are positive and above the opportunity cost. The following summary table shows the aggregated results for 1) the rehabilitation of the rail link between PAL and PIA, and 2) the rural road infrastructure. The NPV is estimated at USD124.3 million. Sensitivity analyses were carried out to investigate the robustness of the economic viability of the Project to cost overruns. The results of the sensitivity analyses, and the Project economic net present values are positive.

Table 8. Economic analysis summary aggregating the rehabilitation of the rail link between PAL and PIA (rural road infrastructure)

*In USD million	Base		+10% CAPEX (rail) & +25% CAPEX (road)	
	NPV*	EIRR	NPV*	EIRR
rail link between PAL and PIA	35.2	9.1%	23.8	7.9%

rural road infrastructure	89.1	23.4%	75.9	18.3%
Overall	124.3		99.7	

Wider economic benefits. The Project is expected to improve agricultural productivity and enhance the efficiency of operations at the PAL and the PIA, with significant employment impacts. Overall, it is estimated to generate approximately 8,500–12,000 jobs. The PAL–PIA railway is expected to support about 240–300 permanent direct, indirect, and induced jobs at maturity, including 90–110 direct operational jobs, alongside indirect and induced employment through logistics and agro-industrial activity, while also improving job quality and productivity in the port–industrial corridor. In parallel, rehabilitation of feeder roads is expected to generate 7,500–10,500 job-years during construction, largely benefiting rural populations, with women representing an estimated 18% of the workforce. Improved connectivity to ZAAPs, agropôles, which are mostly located in zones with resilience challenges, and markets is also expected to support an additional 1,000–1,500 sustained jobs through enhanced agricultural productivity, rural services, and local economic development, in complementarity with the Sustainable Agricultural Transformation Program (P180580) and in support to the Government’s Modernization of Agriculture Program.

Table 9. Estimation of job creation generated by the Project

Category	Estimated jobs in railway	Estimated jobs in road	Total Estimated jobs
Direct (railway O&M and construction & supervision)	~90–110	~5,000 – 7,000	~5,090 – 7,110
Indirect (suppliers & services)	~70–90	~2,500 – 3,500	~2,570 – 3,590
Induced (economywide and local supply chains)	~80–100	~1,000–1,500	~1,080 – 1,600
Total jobs	~240–300	8,500 – 12,000	~8,740 – 12,300

Annex 3: Environmental and Social

Biodiversity Aspects for Components 1 and 3

Component 1. The rehabilitation work of the existing railway track links the city of Lomé to the northern part of the peri-urban area and to the PIA in Adétikopé. Most of the Maritime region, including the city of Lomé and Adétikopé area, are part of the Ramsar's site wetlands. The Ramsar site was signed in 1971 and was entered into force in Togo on Nov. 04, 1995, spanning 591,000 hectares and faces significant anthropogenic pressures from rapid urbanization, particularly in the northern city of Lomé. The Project will keep the existing single track, and based on the FS and hydrological study, from around 40 km of the work, only around 2 km of the track that will be in the wet zone, and the railway rehabilitation work will also include the repairs of the hydraulic structures at some low depression zones to facilitate a controlled and safe evacuation of rainwater to its natural outlet, and to ensure continuity of the stream flows. In addition, the Project will also undertake the cleaning and reprofiling of a stormwater retention basin at one section of the track with a view to restoring its rainwater storage and drainage capacity. Besides the anticipated potential adverse impact from the rehabilitation works, the Project brings positive impact to the integrity of the wetland system. For the new intermediate station, it will not be in the core zone of the wetlands, and the size of the end station in PIA is only 6.5 Ha or 0,0011% of the total Ramsar site. The ESIA ToR of Component 1 has included baseline surveys and assessment for noise/vibration and biodiversity aspects and the identification of sensitive receptors, and some of them have been started. In addition, the ESIA has incorporated the procedural requirements of any activities in the Ramsar site and the Ramsar's focal point in Togo has been contacted to ensure compliance with the government regulation.

Component 3. The ESDD site visits were conducted on Feb. 06-08, 2026, in the Plateaux and Kara regions for the improvement of rural tracks and rural roads. Some road sections intersect or are in proximity to ecologically sensitive landscapes, including their surrounding buffer zones such as Oti Keran-Mandouri and Fasao-Malfakassa National Parks. These ecosystems are characterized by high biodiversity values and the presence of sensitive habitats and species. The species reported to be critically endangered are some species of vultures, flat nose turtles, and white-thighed colobus. However, during the site visits and based on interview with the local community they are not found in the vicinity of Project footprint in all regions, except the vulture that might be found in the national parks area, but the road project's impact will be negligible to the vulture.

All corridors were systematically screened against defined buffer thresholds to determine their level of environmental sensitivity and corresponding categorization. EIA certificates have been duly issued by the ANGE (National Environmental Agency) for some sections of the roads in the Savanes and Kara region. For the Central region, the scope of work covers only rehabilitation of the national road, so there is no construction for the rural roads. The team used IBAT reports to identify environmental and biodiversity aspects of the region. All IBAT reports from the four regions of component 3 (see below) have been used to provide review comments to the ToR ESIA submitted by the client to WB and AIIB for review, especially on getting the baseline information and to undertake further biodiversity assessment. The IBAT reports are annexed to the ESIA TORs. The ESIA consultant will also undertake Critical Habitat Assessment based on the data provided below to be part of their scope of work in the ToR as agreed in the ESCP in compliance with WB's ESS-6 requirements.

For the Plateaux Region:

1. IBAT PS6 & ESS6 Report for Plateau Region. Generated under license 27332-100880 from the IBAT on 09 February 2026 (GMT). www.ibat-alliance.org.
2. BAT PS6 and ESS6 Report. Anie, Koloko to Benin Border; Generated under licence 27332-103179 from the IBAT on 12 March 2026 (GMT). www.ibat-alliance.org

For the Kara Region:

1. IBAT Species Report (Estimated STAR) for Kara Region. Generated under licence 27332-100880 from the IBAT on 09 February 2026 (GMT). www.ibat-alliance.org.
2. IBAT PS6 and ESS6 Report. Niamtogou_Farende-Pagouda; Generated under licence 27332-103181 from the IBAT on 12 March 2026 (GMT). www.ibat-alliance.org

For the Savanes region:

1. IBAT PS6 and ESS6 Report. Savane; Generated under licence 27332-102430 from the IBAT on March 12, 2026 (GMT). www.ibat-alliance.org
2. IBAT Proximity Report. Savane; Generated under licence 27332-102431 from the IBAT on March 12, 2026 (GMT). www.ibat-alliance.org
3. IBAT Species Report (Estimated Star) Savane; from the IBAT on March 12, 2026 (GMT).
4. BAT PS6 and ESS6 Report. Sagbiebou-Gando to Benin border; Generated under licence 27332-103178 from the IBAT on 12 March 2026 (GMT). www.ibat-alliance.org

For the Centrale Region:

1. IBAT PS6 and ESS6 Report. AKONTA FAZAO; Generated under licence 27332-102433 from the IBAT on March 12, 2026 (GMT). www.ibat-alliance.org
2. IBAT Proximity Report. AKONTA FAZAO; Generated under licence 27332-102427 from the IBAT on March 12, 2026 (GMT). www.ibat-alliance.org
3. IBAT Species Report (Estimated Star) AKONTA FAZAO; from the IBAT on March 12, 2026.

Annex 4: Climate Change Assessment

The Bank has committed to aligning all its new financing operations with the Paris Agreement's (PA) goals by July 1, 2023. To achieve that target, the Bank launched its Methodology for Assessing the Alignment of AIIB Investment Operations with the PA. The document elaborates on the application of the joint MDB methodological framework to align AIIB investment operations with the PA (specifically, the mitigation dimension or BB1 and the adaptation aspects or BB2). The methodology of AIIB has been followed to assess the alignment of the Project with the PA.

BB1 Assessment	
Criteria	Assessment
Uniform Assessment Criteria (UC)	
UC1: Checking the project/economic activity is included in the universally aligned list of activities that have a positive or negligible impact on the climate.	Due to the difference in nature of the Project Components, the PAA Assessment is done individually. Under component 1, Rail infrastructure is included in the list of universally aligned activities. As such, the component is considered aligned with BB1. Component 2 will not create capacity expansion and involves easing congestion near the port area. As such, they are considered universally aligned with BB1. Under Component 3, the Project will support secondary and rural roads upgrading, rehabilitation and reconstruction, without capacity expansion. These roads will provide access to communities which currently do not have all-weather access (e.g., connecting farmers to markets or providing access to rural schools or hospitals). As such, this component is considered universally aligned with BB1
Results	<i>In summary, all project activities are aligned for BB1.</i>

BB2 Assessment	
Criteria	Assessment
Criterion 1: Establishment of Climate Risk and Vulnerability Context	
Step 1: Establishing climate risk and vulnerability context.	The climate risk and vulnerability context is assessed at the country level, given the project's geographic spread, and identifies rising temperatures, increasing precipitation variability, and heightened flood risk as the most material hazards in Togo; these are expected to intensify under future climate scenarios, alongside more frequent extreme heat and rainfall events. Rural regions (notably Savanes, Kara and Centrale region) face compounded risks from drought, wildfires, and heat stress, while the Greater Lomé area is exposed to coastal hazards including sea level rise and storm surge. Overall, climate change is projected to increase the frequency and severity of floods, droughts, and extreme weather events, leading to infrastructure degradation, service disruptions, and heightened vulnerability of transport, agriculture, and logistics systems.
Criterion 2: Definition of the Climate Adaptation and Resilience Measures	
Step 2: Identifying and integrating adaptation and climate resilience measures.	Adaptation and climate resilience measures are integrated into the Project design through the rehabilitation and upgrading of rail and road infrastructure to climate-resilient standards, with asset selection informed by exposure and vulnerability to climate risks and their criticality for network connectivity. Targeted measures are being defined through ongoing climate vulnerability

BB2 Assessment	
Criteria	Assessment
	assessments that will be integrated into the ESDD, design and scope of each component to identify high-risk hotspots and guide interventions such as enhanced drainage systems, reinforced embankments, and improved flood protection structures, while ensuring year-round operability and durability under future climate conditions. These measures are further embedded through technical assistance, climate-informed planning and maintenance approaches, and dedicated institutional arrangements to support the systematic integration of resilience considerations across all project components and implementation stages.
Criteria 3: Assessment of inconsistency with a National/Broad context for climate resilience	
Step 3: Assessing potential inconsistency with broader climate resilience policies and priorities.	The Project is not considered inconsistent with Togo's national climate resilience framework, as it supports key priorities articulated in Togo's Nationally Determined Contribution (2021), which identifies adaptation—particularly in infrastructure, coastal zones, agriculture, and human settlements—as a central national priority and emphasizes strengthening resilience to flooding, drought, and coastal erosion. This is further reinforced by Togo's National Adaptation Plan (NAP, adopted 2016; an update of which is ongoing), which calls for the systematic integration of climate resilience across all sectors—including transport, urban planning, and infrastructure—and prioritizes climate-resilient development, mainstreaming adaptation into planning and budgeting, and strengthening institutional capacity. At a sectoral level, national development strategies, notably the Government Roadmap “Togo 2025” (2020–2025), explicitly integrate climate resilience into transport and logistics investments, emphasizing climate-resilient infrastructure, improved maintenance, and enhanced network reliability. Consistent with these frameworks, the Project's focus on climate-resilient transport assets, improved connectivity, and reduced vulnerability of logistics systems directly supports national objectives to enhance infrastructure resilience and adaptive capacity and therefore does not introduce any material inconsistency with broader climate resilience policies and priorities.
Results	<i>In summary, all project activities are aligned for BB2</i>

Annex 5: Gender Equality and Social Inclusion

Gender inequality remains an important development priority in Togo, although it has made notable progress in strengthening its legal and policy framework for women's economic participation. In 2026, Togo ranks among the top performers in Africa on legal frameworks for gender equality, with a score of 79.33 out of 100.²⁸ However, these advances coexist with persistent gaps. For instance, in the labor force, while female participation is relatively high at around 56.6%, compared to 59% for men,²⁹ women are more likely to be concentrated in informal, lower-paid, and more vulnerable employment segments.³⁰ In addition, women have lower access than men to education, productive assets, finance, and technical training. These gaps reduce women's ability to participate in higher-value economic activities and affect how women and men benefit from investments in transport, logistics, and agriculture, as it is the case in the Project. In the transport and logistics sectors, women are still underrepresented, especially in technical, operational, and leadership roles. Like other Sub-Saharan African contexts, women tend to be concentrated in informal trade, small-scale logistics, and market-based activities, often associated with lower and less stable incomes. Women are also more exposed to mobility constraints because they often combine income-generating activities with household and care responsibilities and therefore depend on safe, affordable, and reliable transport services to benefit fully from improved connectivity and logistics services.

These issues are relevant to the Project in several ways. First, women farmers, traders, and small entrepreneurs may face higher transport costs, less reliable logistics services, and weaker access to markets than men. Small shipment sizes, limited bargaining power, and safety concerns can further reduce their ability to use logistics services effectively. Second, women's participation in freight transport, rail operations, road maintenance, and other technical jobs remains low, with women often concentrated in lower-paid administrative or informal roles. Third, project construction and labor influx may increase risks of gender-based violence, including sexual exploitation and abuse and sexual harassment, if these risks are not managed well. The Project therefore has both gender risks that need to be mitigated and gender opportunities that can be supported through project design and implementation.

The Project is expected to support gender equality and social inclusion through practical measures across its components. Under the road connectivity and logistics activities, the Project will consider the transport and logistics needs of women farmers, women traders, and women-led cooperatives so that they can better access markets, services, and economic opportunities. Under freight and transport activities, the Project will seek to increase women's participation in non-traditional jobs, including driving, operations, and maintenance, through targeted outreach, training support, and help to access driver's licenses or other relevant certification. The Project will also support women farmers and women agro-entrepreneurs with training and capacity-building activities so they can make better use of improved connectivity and logistics services.

In compliance with the E&S instruments, the Project will include measures to prevent and respond to GBV, including SEA/SH. These measures are expected to include codes of conduct for workers, training for contractors and supervising entities, confidential and survivor-centered reporting channels, referral pathways to qualified service providers, and accessible grievance arrangements for women and vulnerable groups.

Under subcomponent 4.2, the Project will support a paid internship program for selected students in the transport and logistics sector, with a focus on female students. The five-months paid internship program will focus on female students to address barriers for women's exposure to the transport and logistic sector and enhance future aspirations.

²⁸ World Bank, [Women, Business and the Law 2026](#) (Washington, DC: World Bank, 2026).

²⁹ World Bank, Gender Data Portal, [Togo country profile](#) (latest available data on labor force participation, 2025)

³⁰ UN Women, [Togo Country Fact Sheet, Data Hub](#) (latest available indicators on employment and gender gaps)

In addition, during preparation and implementation, the ESIAs and related instruments will assess how project impacts and benefits may differ for women and men and will identify proportionate mitigation and enhancement measures. Relevant actions will be reflected, as needed, in site-specific ESMPs, the Labor Management Procedures, the SEP, and related implementation arrangements.

Annex 6: Member Credit Fact Sheet

Background. Togo is a low-income economy, with income per capita of around USD1,100, or USD3,300 in purchasing power parity (PPP), and a population of 10 million. The economy remains largely informal with almost a third of the population living in poverty (measured at USD3 per day in PPP terms). A deterioration in security in the north of Togo has been affecting the local population, as well as the logistics and transport sectors.

Togo is a member of the West African Economic and Monetary Union (WAEMU), which supports macroeconomic stability, with fiscal and monetary targets. The currency, the West African Franc (CFAF) is pegged to the Euro, and benefits from a guarantee by the French treasury. The economy relies heavily on trade logistics through the Port of Lomé, while regional re-exports, agricultural production and phosphate mining also contribute to export earnings. Togo is currently under an IMF program, with broadly satisfactory performance, but also some slippages due to weaknesses in fiscal reporting.

Recent Developments: Growth remained resilient at around 5.5% on average since 2021. Inflation has been relatively volatile. It has moderated to 2.9% in 2024 and further to minus 0.6%, as of September 2025. Fiscal consolidation is progressing, helped by better collection of taxes and mining royalties. The current account deficit remains manageable. Regional FX reserves within WAEMU have been improving, driven by higher cocoa prices and hydrocarbon exports from other members. Nevertheless, measures are needed to address financial sector risks from a few under-capitalized banks.

Selected economic indicators	2021	2022	2023	2024	2025*	2026*	2027*
Growth 1/	6.0	5.8	5.6	5.3	5.2	5.5	5.5
Inflation 1/	4.5	7.6	5.3	2.9	2.4	4.5	0.7
Fiscal balance	-4.7	-8.3	-6.7	-7.4	-7.6	-3.0	-3.0
Public debt	64.9	67.0	68.6	72.1	71.9	70.6	68.5
Current account balance	-2.2	-3.5	-4.0	-3.2	-1.8	-0.6	-0.3
External debt	27.3	25.8	26.3	30.4	32.8	32.1	32.7

Sources: IMF WEO Oct 2025, country report 25/110, in% of GDP, except where noted; *' = projections

Notes: data as of Nov 10, 2025; 1/% change, average, year-on-year

Outlook and Risks: The medium-term outlook is positive, with growth projected to be around 5.5%. The fiscal deficit is envisaged to converge toward the WAEMU target of 3% by 2026, but accounting for quasi-fiscal below-the-line operations the underlying fiscal deficit may be higher. Key risks relate to global commodity conditions, and the pace of fiscal consolidation. The regional security dynamics could increase security spending and affect fiscal consolidation.

According to the IMF, Togo's public debt is sustainable, with moderate risk of distress, mostly due to elevated short-term debt service needs. Debt has increased to over 70% of GDP as of 2025, because of higher deficits related to the pandemic, the regional security challenges and the need to cushion the impact of high global food and fuel prices on the population. That said, Togo's debt profile is supported by its sustainable access to regional financial market. The planned fiscal consolidation is expected to bring debt back below the WAEMU target of 70% of GDP.

In April 2025, S&P raised Togo's sovereign credit rating from B to B+ stable, citing strong economic growth and a reduction in fiscal deficits. Moody's rating is B3 Stable. Fitch does not currently rate Togo

Annex 7: Implementation Readiness Checklist

Policy and institutional arrangements

- a) Key policy and institutional reforms, if critical to the successful completion of the project, are implemented or being implemented within a realistic timetable.
☒ Yes
☐ No
- b) Provision of budget/counterpart fund for project implementation in first financial year is confirmed, e.g. in the government's annual budget, written commitments from partners with clear timetable for the fund's availability.
☒ Yes (no counterpart fund expected for the project)
☐ No
- c) The systems of oversight, financial management, fund flow arrangement, auditing arrangement and data collection / monitoring are established.
☐ Yes
☒ No. The institutional arrangements are being finalized and will be in place at the time of loan signature.
- d) Institutional structure for project implementation is confirmed between government and AIIB.
☒ Yes, confirmed between government and WB, reviewed and agreed by AIIB.
☐ No

Project Implementation Plans and Project Administration Manual.

- a) Overall Implementation Plan, Procurement Plan, Contract Awards & Disbursement Projections of the project are finalized and agreed between government and AIIB.
☒ Yes, finalized and agreed between government and WB, and agreed by AIIB.
☐ No
- b) Project Administration Manual/ Memorandum covering scope, organization and its Terms of Reference (TOR), procurement, budgeting, disbursement, ES monitoring, data collection/reporting and auditing arrangement has been finalized.
☐ Yes
☒ No: the POM will be adopted within three months after WB loan is signed. TOR for most of components 1 and 3 activities were finalized.

Project Management Office (PMO)/Project Implementation Unit (PIU)

- a) Designation of core PMO/PIUs staff have been identified, especially key roles such as project director, procurement and contract, financial management, technical, environment and social (ES), data collection and monitoring, capacity building etc.
☒ Yes. While the PIU has not been formally established yet, recruitment for the key positions (Project Coordinator, Procurement and FM Specialist) is ongoing.
☐ No
- b) Request for Proposal (RFP) for all critical consultancy contracts e.g. Project Management consultants (institutional set-up, ES aspects, M&E aspects and capacity building), procurement agency, construction supervision etc. have been issued.
☐ Yes
☒ No:

Procurement and ES activities

- a) Procurement plan of the project detailing contract packages, modes of procurement, pre-requisites for awarding the contracts, approval flow chart, decision making structure and schedule for each contract has been finalized.
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- ☒ Yes
☐ No
- b) Bidding documents for all contracts, to be awarded during the first 18 months of project implementation have been finalized, especially when involving advance procurement/retroactive financing.
☐ Yes
☒ No: all contracts during the first 18 months are identified and first batch of bidding documents under Component 3 are ready. Other batches under Components 1, 2 and 3 are sequenced as they become available.
- c) Land acquisition and resettlement plans are ready, where relevant.
☐ Yes
☒ No: For Component 1, social audit and RAP will be prepared within six months of WB's loan effective date. For Components 2 and 3, site-specific RAPs will be prepared as required based on final design.
- d) Budgeting for at least 30% of land acquisition & resettlement requirements has been made. Land acquisition/pre-construction activities, where relevant, are in progress.
☒ Yes, resettlement costs are covered by WB loan.
☐ No
- e) Relief & Resettlement (R&R) Plan, where relevant, for the first two years of the project implementation has been finalized and confirmation that R&R activities are aligned with the Procurement Plan has been conveyed.
☐ Yes
☒ No: For Component 1, social audit and RAP will be prepared within 6 months of WB's loan effective date. For Components 2 and 3, site-specific RAPs will be prepared as required based on final design and implemented before commencement of works.
- f) Environmental Management Plan (EMP) for the first two years of project implementation has been finalized with technical assistance for its execution in place if required. Initial Environment Examination (IEE) /Environment Impact Assessment (EIA) and approval of AIIB have been completed/secured.
☐ Yes
☒ No: ESIA TOR has been prepared and reviewed by WB and AIIB. ESIAs/ESMPs will be prepared and finalized before commencement of works.

Required Clearances/Approvals for Project Implementation

- a) All Statutory clearances like environmental/forest, water, land clearances, if applicable, are obtained.
☒ Yes
☐ No
- b) Administrative clearances for temporary use of land are taken.
☐ Yes
☒ No
- c) Administrative approvals for shifting of utilities are taken.
☒ Yes
☐ No
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