Project Summary Information

	Date of Document Preparation/Updating: 01/24/2025
Project Name	ACWA Power Renewable Energy Loan
Project Number	P000612
AIIB member	Uzbekistan
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	To support the development of renewable energy generation in the Republic of Uzbekistan by constructing a 1,500MW wind power plant with Battery Energy Storage System (BESS).
Project Description	The Project involves providing financing for the development and operation of 1,500 MW of wind power plant and 300 MWh BESS and associated interconnection Purchaser Electrical Facilities (PEF) in Uzbekistan. The Project is located in the Karakalpakstan region in northwestern Uzbekistan. The Project will be undertaken by a Special Purpose Vehicle (SPV) company established in Uzbekistan and majority owned by ACWA Power Company.
Expected Results	The expected results from the Project will be measured through the following Project Objective Indicators and Intermediate Results Indicators. Project Objective Indicators: (i) Annual electricity generation from renewable energy (GWh) (ii) Avoided Greenhouse Gases (GHG) emissions (million tCO2eq/year). Intermediate Results Indicators: (i) Renewable energy generation capacity installed (MW) (ii) Total electricity storage capacity financed (MW) (iii) Private capital mobilization (USD million).
Environmental and Social Category	Category A.

Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the ES aspects of the Project. Category A is assigned as the Project will have significant environmental and social (ES) impacts during both construction and operation phases. Asian Development Bank (ADB) is considering participating in the financing as a senior lender (project finance) and they have categorized as A for environment and B for involuntary resettlement. **Environmental and Social Instruments.** For the Kungrad wind farm, an Environment and Social Impact Assessment (ESIA) along with a Critical Habitat Assessment (CHA) has been prepared in line with ADB's requirement and disclosed on ADB's website. The ESIA also includes broad Environmental and Social Management Plan (ESMP), which summarizes the impacts identified as well as the mitigation measures and monitoring requirements to be implemented throughout the Project cycle. In addition, ESMP also describes the institutional framework and procedural arrangement for the implementation including Environment, Social, Health and Safety (ESHS) Management System. Considering the overhead transmission line (OHTL) will affect approximately 203 farmers and potentially cause economic displacement for 5 households, a Livelihood Restoration Plan (LRP) will be developed and implemented before the first disbursement. The Environmental and Social Management System (ESMS) of ACWA Power will be reviewed and enhanced if required to ensure alignment with AIIB's ESP. This includes reviewing how ACWA Power manages ES risks across its portfolio of projects, including its policies, procedures, monitoring practices, and track record in managing ES issues. This will be added as a condition precedent prior to effectiveness. **Environmental Aspects.** The Project poses significant risks of adverse impacts on biodiversity throughout its various phases, especially during construction and operational activities. These include habitat destruction, fragmentation, and disturbance, particularly to species identified as vulnerable or endangered. The construction phase will include risks related to land clearing, habitat fragmentation, and the establishment of overhead transmission lines and access roads, which could act as barriers to migratory species and disrupt established ecological patterns. During the operational phase, the most significant adverse impacts may involve collisions of migratory birds with wind turbine blades and transmission lines. CHA for the Project has been carried out which has identified the risks and recommended mitigation measures on potential impacts on critical habitats including preparation of a Biodiversity Action Plan (BAP). In addition, the ESIAs assess these cumulative impacts by considering the combined effect of projects in the region, identifying critical thresholds. The ESMP includes mitigation measures aimed at minimizing the cumulative impacts, such as strategic placement of turbines and creating alternative habitats.

	Social Aspects. The wind farm will not result in any adverse social impact. A total of 4,600 square km of area has been identified that is free of encroachment and other encumbrances. The nearest settlement is Krikhiz town which is 110 km away from the site. The Project will bring in positive impact for the region by providing over 2,200 job opportunities at peak during the construction phase for a duration of approximately 42 months. During operational stage, approximately 80 job opportunities for a duration of 20-25 years will be generated. The approximately 800 km of OHTL however, will lead to permanent acquisition of 0.29 square km of private agriculture land for tower footings. There will be additional restrictive use of land under the ROW which approximately comes to 31.66 square km. This will adversely impact 203 formal farmers with land leases and estimated 20 informal farmers. There could be potential physical displacement of 5 households losing structures primarily used for economic purposes. There are additional Project components that will be required on a temporary basis throughout the construction phase of the Project. The location of these facilities (laydown areas for temporary storage area, batching plant, and worker camp area) will be identified once the EPC Contractor is appointed and a detailed design is completed. The requirements for temporary components will be included in the ESMS to be considered by the EPC Contractor when planning for such components. **Gender Aspects:** As part of ESIA, gender assessment was carried out that included gender consultations in line with Gender and Development Policy (1998) of ADB. Since project will have large influx of migrant laborers during the construction period, the ESIA specifically looked into the issues related to Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH). Mitigation measures includes (i) Worker Grievance Mechanism to prohibit gender-based violence and harassment in the workplace; (ii) separate accommodation for women as well as separate sanitary, toilet facilities, and prayer rooms; (iii) all women facilities will have lockable doors with adequate numbers provided; (iv) separate changing rooms and cabinets for men and women; (v) all workers will be required to read and sign a Worker Code of Conduct which will be explained verbally. **Occupational Health and Safety, Labor and Working Conditions.** The mitigation of community health and safety risks will be defined in the Occupational Health, and Safety Management Plan (OHSMP) to be prepared at the start of the construction and operational phases. This will cover labor and working conditions of contractors and sub-contractors and management of communicable diseases. The Project will develop a Worker Influx Management Plan to manage the potential risks associated with worker influx in the Project area. In addition, the EPC Contractor and O&M provider will prepare a SEA/SH Prevention and Response Action Plan, Human Resources Policy (and related procedures), Retrenchment Plan and Human Rights Policy. **Stakeholder Engagement, Consultation and Information Disclosure.** Extensive stakeholder consultation and engagement was carried out as part of the ESIA process and in accordance with the regulatory requirements in Uzbekistan

	and the international ES standards and requirements. Stakeholder consultations and engagement included national government entities, regional and local governmental entities, NGOs/CSOs, and local communities. Consultations mainly included public disclosure of project components, probable impacts, findings and recommendations proposed in the ESIA. A Stakeholder Engagement Plan (SEP) for future stakeholder engagement and consultations process has also been designed for the construction and operational stage of the project. SEP describes the planned stakeholder consultation activities and engagement process to take place after the ESIA approval. The English version of the ES instruments and relevant translations in the local language will be timely disclosed online and made available in the project area. In addition, the ES documents will be posted on the Bank's website. **Project Grievance Redress Mechanism (GRM).** Although the Project Company will remain responsible and accountable and will likely maintain presence on site during construction and commissioning, the EPC Contractor will establish a project-level GRM to manage internal and external grievances. A member of staff will be assigned the responsibility to receive and follow up on all grievances. Grievances will be investigated by the EPC Contractor and may require co-ordination with the project company or other sub-contractors. This designated staff member will be responsible for following up and managing grievances. The project-level GRM will be finalized by the EPC Contractor once the design is finalized. The information of established GRM and AIIB's Project-affected People's Mechanism (PPM) will be timely disclosed in an appropriate manner. **Monitoring and Supervision Arrangements.** The detailed monitoring and reporting arrangements for the Project are listed in the Project's ESMP for the planning phase, construction phase and for the operation phase. The proposed monitoring plan clearly defines monitoring and reporting requirements, parameters to be monitored, the locations, suggested frequency and assigns a responsible entity for each activity. AIIB will carry out field-based ES monitoring missions alongside ADB on regular basis.
Cost and Financing Plan	The estimated Project cost is approximately USD2,542 million to be funded based on debt-to-equity ratio of not exceeding 75:25. Actual debt-to-equity ratio is envisaged at 65:35.
Borrower/Investee Company/Counterparty/Guaranteed entity	ACWA Power Kungrad Wind 1 Holding Company Ltd
Guarantor	ACWA Power Company, Saudi Listed Joint Stock Company

Sponsor	ACWA Power Company, Saudi Listed Joint Stock Company		
Estimated date of last disbursement (NSBF)	June/2025		
Contact Points:	**AIIB**	**AIIB**	**Borrower** **Implementation Organization/Sponsor**
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Date of Concept Decision	06/22/2022		
Date of Final Decision	11/27/2024		
Date of Financing Approval	01/23/2025		

Independent Accountability Mechanism	The Policy on Project-affected People's Mechanism (PPM) has been established by AIIB to provide an opportunity for the independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by the Bank's failure to implement its ESP in case when their concerns cannot be addressed satisfactorily through the Project-level GRMs or the processes of the Bank's Management. Information on the PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html.