Project Summary Information

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Project Name	ACWA Power Sustainable Energy Development Capital Facility
Project Number	P000612
AIIB member	Multicountry
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To support ACWA Power in financing the construction of a wind power plant of up to 1,500MW capacity and integrated with Battery Energy Storage System (BESS), to advance the development of renewable energy generation in the Republic of Uzbekistan.
Project Description	The project involves providing a development capital facility (the facility) for development and operation of 1,500 MW of wind power plant and 300 MWh Battery Energy Storage System (BESS) and associated interconnection Purchaser Electrical Facilities (PEF) in Uzbekistan. The Project will be located in 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, Saudi Listed Joint Stock Company. A 25-year PPA has been directly negotiated and signed on December 23, 2022, with JSC National Electric Grid of Uzbekistan (NEGU) as the offtaker.
Expected Results	The preliminary indicators to measure the expected results from the Project are presented below: (i) Installed generation capacity (MW) (ii) Annual electricity generation from renewable energy (GWh) (iii) Avoided Greenhouse Gas (GHG) emissions (tCO2eq/year) (iv) Private Indirect Mobilization (USD million)

Environmental and Social Category	A
Environmental and Social Information	**Applicable Policy and Categorization.** Asian Development Bank (ADB) is considering participating in the financing as a senior lender (project finance). Accordingly, to ensure a harmonized approach to addressing the Environmental and Social (ES) risks and impacts of the Project, as permitted under AIIB's Environmental and Social Policy (ESP), ADB's Safeguard Policy Statement (SPS) on involuntary resettlement will be applicable to the Project in lieu of AIIB's ESP and Environmental and Social Standards (ESS) 2. AIIB has reviewed the SPS of ADB and is satisfied that: (i) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and the relevant ESS, and (ii) the monitoring procedures that are in place are appropriate for the Project. The project has been categorized as A for E&S risks by ADB. **Environmental and Social Instruments.** For each 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 describes the institutional framework and procedural arrangement for the implementation including Environment, Social, Health and Safety (ESHS) Management System. Given that overhead transmission line (OHTL) will impact over 200 farmers and may economically displace 5 households, a Livelihood Restoration Plan (LRP) will be prepared. The capital facility is intended to finance multiple projects over time in addition to the first three windfarms. Therefore, 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 first disbursement. **Environmental Aspects.** The project can cause potential adverse impacts on biodiversity during various project phases, particularly construction and operation. 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, further exacerbating habitat fragmentation. CHA has been prepared 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 asses 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. This will mainly include skilled job opportunities (to include engineers, technicians, consultants, surveyors, etc.) and semi-skilled and unskilled job opportunities (such as laborers, security personnel, housekeeping, etc.). During operational stage, approximately 80 job opportunities for a duration of 20-25 years will be generated. This will include around skilled job opportunities (such as engineers, technicians, administrative employees, etc.) and unskilled job opportunities (such as security personnel, drivers, etc.). As per ESIA results, there are no indigenous populations within the Project area. 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 requirements for temporary components will be included in the Environmental and Social Management System (ESMS) to be considered by the EPC Contractor when planning for such components. **Gender Aspects:** The project carried out consultations with the affected and host community including women groups during the ESIA. The consultations focused on mainstreaming gender considerations into project activities to promote gender equity and improve status of women. The project will continuously engage and consult with various categories stakeholders, including women, throughout the project cycle by the implementation of a Stakeholder Engagement Plan (SEP). The company promotes equal opportunities for the employment of males and females, and employees receive the same salary and benefits for the same positions regardless of their gender. Special provisions such as maternity and parental leave safeguard the rights of female employees during pregnancy and childcare. Moreover, equal opportunities for promotion and access to training resources are extended to female employees. Additionally, the project company implements a strict Sexual Exploitation and Abuse and Sexual Harassment Prevention and Response Action Plan, along with a Gender-Based Violence and Harassment (GBVH) Prevention and Response Policy.

	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 ensure compliance with international labor standards and working conditions. 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 engineering, procurement and construction (EPC) Contractor and O&M provider will prepare a Sexual Exploitation and Abuse, and Sexual Harassment (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. Consultations mainly included public disclosure of project components, probable impacts, findings and recommendations proposed in the ESIA. A 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 disclosed online and made available in the project area. In addition, the documents will be posted on the Bank's website. **Project Grievance Redress Mechanism.** The Project will establish and operate a project-level Grievance Redress Mechanism (GRM) for the local communities and a project-level GRM for Project workers. The GRM will also address issues related to SEA/SH. The public consultation and disclosure process should be used to disseminate information about the project level GRM and the Project-affected People's Mechanism (PPM). **Monitoring and Supervision Arrangements.** Appropriate monitoring arrangements will be discussed with ADB and the Client during the due diligence, that will include (i) mechanism for concurrent monitoring; (ii) frequency of reporting; and (iii) periodic field-based monitoring and evaluation. The ES aspects will also be covered as part of regular Bank supervision missions.
Cost and Financing Plan	The estimated Project cost is approximately USD 2,543 million to be funded based on debt-to-equity ratio of no more than 65:35. AIIB will finance up to USD150 million of the sponsor's equity contribution through the facility.
Borrower/Investee Company/Counter	ACWA Power Kungrad Wind LLC FE

party/Guaranteed entity			
Guarantor	ACWA Power Company, Saudi Listed Joint Stock Company		
Implementing Entity/Sponsor	ACWA Power Company, Saudi Listed Joint Stock Company		
Estimated date of last disbursement (NSBF)	May 2025		
Contact Points:	**AIIB**	**AIIB**	**Borrower** **Implementation Organization/Sponsor**
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Date of Concept Decision	06/22/22		
Estimated Date of Appraisal Decision	November 2024		
Date of Financing Approval/Estimated Date of Financing Approval	December 2024		

Independent Accountability Mechanism	AIIB's Policy on Project-affected People's Mechanism (PPM) applies to this Project. The PPM has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanism (GRM) or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.