

Project Summary Information

| | Date of Document Preparation: July 16, 2024 | | | | |
|---------------------|---|--|--|--|--|
| Project Name | CPIH Kazakhstan 220MW Wind Portfolio | | | | |
| Project Number | P000823 | | | | |
| AllB member | Kazakhstan | | | | |
| Sector/Subsector | Energy, Wind | | | | |
| Alignment with | Green infrastructure; Private Capital Mobilization | | | | |
| AllB's thematic | | | | | |
| priorities | | | | | |
| Status of | Under Preparation | | | | |
| Financing | | | | | |
| Objective | To support Kazakhstan's energy transition through the increase of wind power electricity generation. | | | | |
| Project Description | The Project involves the development, maintenance, and operation of five wind power plants (WPPs) in the Republic of Kazakhstan. The Project includes installation of wind turbines with a total capacity of 220 MW, construction of 42 km 220 kV double-circuit overhead line, an electrical switchgear with two transformers, and expansion of the 220 kV substation. The Project is implemented by China Power International Holding Ltd. (CPIH). CPIH is a subsidiary of the State Power Investment Corporation Limited, a Chinese state-owned power utility. | | | | |
| Expected Results | The Project's expected results include, inter alia: renewable electricity generation (GWh per year), greenhouse gas (GHG) emissions avoided (tons of CO2 equivalent per year), total renewable capacity maintained (MW), private capital mobilized (USDm), and training program established to provide training and internship opportunities for female students (number of students). | | | | |
| Environmental and | В | | | | |
| Social Category | | | | | |
| Environmental and | Environment and Social Policy (ESP) and Categorization. The Project has been prepared consistent with AIIB's ESP, | | | | |
| Social Information | including the Environment and Social Standards (ESSs), and Environmental and Social Exclusion List (ESEL). ESS 1 (Environmental and Social Assessment and Management) is applicable while ESS 2 (Land Acquisition and Involuntary Resettlement) and ESS 3 (Indigenous Peoples) are not applicable as the Project did not have any land acquisition impacts | | | | |

and there are no Indigenous Peoples identified as being in the Akmola Region according to the environmental and social (ES) due diligence (ESDD).

The Project is assigned Category B in accordance with the ESP due to potential operation and maintenance (O&M) phase manageable risks associated with biodiversity, occupational health and safety, shadow flicker nuisance and pollution prevention and control.

Environmental and Social Instruments. A Non-Technical Summary (NTS) that describes the key potential impacts and mitigations associated with the Project has been prepared. Following AIIB's due diligence the NTS is supplemented by an Environmental and Social Action Plan (ESAP) that addresses gaps identified by AIIB in (1) the Project ES assessment and (2) in the O&M ES management arrangements related to the full suite of subprojects. These measures include a small number of additional biodiversity surveys and assessments, measures to confirm and manage potential shadow flicker and noise impacts and a supplementary assessment updated to account for the results of these actions. A series of audits to verify institutional management systems, plans and capacity have also been committed. A Stakeholder Engagement Plan (SEP) has also been prepared. The SEP is a living document that will be regularly updated, as necessary.

Environmental Aspects. Outstanding construction phase activities are limited to reinstatement of disturbed ground. Notable O&M phase potential risks and impacts include bird and bat collision-related fatalities, noise, occupational health and safety and shadow flickering. The level of assessment completed to date provides sufficient comfort that these residual risks and impacts will not be significant, and a monitoring program is committed to ground-truth this prediction.

The ESAP includes for the development of a Habitat Management Plan that will capture actions to be taken in the event natural revegetation is not successful.

The ESIA included a biodiversity risk analysis based on Bank's ESF. The results confirmed that the wind farm is not located in any ES sensitive areas, and there are no protected or designated nature reserves that could be affected by the Project. The potential risk of bird collision and/or electrocution impacts from the turbines and power lines is not predicted to be significant and appropriate mitigations to reduce impacts to as low as reasonably practicable have been identified and are committed. In addition, there are limited wastes and hazardous materials generated / required for the O&M phase for regular maintenance, but a waste management plan for O&M activities will be determined by undertaking third party audits specified in the ESAP.

Social and Gender Aspects. The Project Sponsor holds long-term lease rights for 371.7 ha in total for all five subprojects. All leased land plots are state land and managed by the Land Management Department of Arshalinsk district authority. Land lease fees will be paid to the account of the State Income Management Department of the Arshalinsk district. Lease right grants use of land plots for construction and operation of a wind power station, access roads and power lines. Hence there are no land acquisition and involuntary resettlement impacts under this project.

The most relevant gender issue for the proposed Project is equal access to employment opportunities during the operation of the WPPs. The potential gender actions related to gender-inclusive employment and work environment, notably in terms of access to employment that may be generated during operation, as well as by providing adequate infrastructure and safe working conditions for both male and female staff. The Bank requires the adoption of (i) a Code of Conduct for Workers with anti gender-based violence (GBV) and discrimination provisions to be included in Human Resource policy and (ii) work out with the Sponsor on the adoption of appropriate measures to mitigate risks of GBV and sexual harassment and include as part of the ESAP actions.

Occupational Health and Safety (OHS), Labor and Working Conditions and Supply Chain. A number of potential gaps in health and safety management systems of all parties have been identified and a program of third-party health, safety, and environment (HSE) audits to review conformance with the Bank's requirements have been specified in the ESAP. In addition to the labor audit at the facility level, a risk screening of the core/primary suppliers to the Project supplier was conducted to review potential issues relating to labor and working conditions at the supplier/vendor level. The findings of the labor audit and supplier risk screening will inform the corrective actions on the improvement of the supplier management and traceability system for the Project and will be included in the ESAP, supplemented by the Project and its supplier's commitments on labor and working conditions.

Stakeholder Engagement, Consultation and Information Disclosure. To strengthen the stakeholder engagement process with Project stakeholders the Borrower has prepared a SEP in accordance with AIIB's ESP. The SEP provides an overview of the engagement activities undertaken, as well as proposed, for the Project, and details the grievance redress mechanism (GRM) for Project stakeholders. The Borrower will disclose an NTS and SEP in English, Kazakh and Russian on its website (<u>www.cpihl.com.cn</u>). In addition to those documents, the ESAP in English will be disclosed. The Project Sponsor will be responsible for the implementation of the SEP as per agreed schedule. The SEP implementation will be part of ES monitoring reports.

| | Project Grievance Redress Mechanism (GRM). A project level GRM is reviewed as part of ESDD, and identified gaps and relevant actions are incorporated in the ESAP. The Project GRM will need to be strengthened as two-level in accordance with the requirements of AIIB's ESP, one at the O&M operator will oversee GRM at all subproject levels, and any unresolved grievances can be escalated to second level to CPIH. Locally appropriate consultation and disclosure process will be used to disseminate information about the GRMs and AIIB's Project-affected People's Mechanism (PPM). A separate workers' GRM will be improved in accordance with the requirements of AIIB's ESP to address workplace complaints and concerns. Monitoring and Supervision Arrangements. Monitoring and supervision missions will be carried out annually. Site visits to verify implementation of ESAP will be carried out jointly by the lenders group. ES monitoring reports will be prepared annually by the Project Sponsor based on an agreed format. | | | | |
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| Cost and | Total Project Cost is around USD296 million, of which AIIB loan is up to USD88 million and the rest is to be funded by the | | | | |
| Financing Plan | sponsors and other financial institutions. | | | | |
| Borrowers | Borey Energo LLP, | | | | |
| | Energo Trust LLP, | | | | |
| | Sofievskaya Wind Power Plant LLP, | | | | |
| | Arkalyk Wind Power Plant LLP, and | | | | |
| | Jasil Jel Energy LLP. | | | | |
| Sponsor | China Power International Holding Limited | | | | |
| Estimated date of | June 2025 | | | | |
| last disbursement | | | | | |
| Contact Points: | | AIIB | Borrower | Sponsor | |
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| Date of Screening/ | August 24, 2023 | | | | |
| Concept Decision | | | | | |
| Date of Final | July 16, 2024 | | | | |
| Decision | | | | | |
| Estimated Date of | August, 2024 | | | | |
| Financing Approval | | | | | |

| Independent | The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an | | | |
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| Accountability | independent and impartial review of submissions from Project-affected people who believe they have been or are | | | |
| Mechanism | 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 GRM or AIIB Management's processes. For | | | |
| | information on how to make submissions to the PPM, please visit How We Assist You - Project-Affected People's | | | |
| | Mechanism (aiib.org). | | | |