

 Early Warning System

AIIB-000612

Uzbekistan: ACWA Power Renewable Energy Loan (Previously: ACWA  
Power Sustainable Energy Development Capital Facility)



## Quick Facts

Countries	Uzbekistan
Specific Location	Karakalpakstan region
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-01-23
Borrower	ACWA Power Kungrad Wind LLC FE
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 2,542.00 million



## Project Description

According to the Bank's website, the objective of this project is 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).

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.



## Early Warning System Project Analysis

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. 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.

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 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.



## Investment Description

- Asian Infrastructure Investment Bank (AIIB)

According to the Project Summary Information, 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.



## Private Actors Description

The Project will be undertaken by a Special Purpose Vehicle (SPV) company established in Uzbekistan and majority owned by ACWA Power Company.

*ACWA Power* is a developer, investor, co-owner and operator of a portfolio of power generation, renewable energy and desalinated water production plants.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	ACWA Power Company	Parent Company	-
-	-	-	-	ACWA Power Kungrad Wind LLC FE	Client	-



## Contact Information

### CONTACT INFORMATION

#### PROJECT TEAM LEADER

Asian Infrastructure Investment Bank

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#### BORROWER

ACWA Power Kungrad Wind LLC FE

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

### ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides 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 the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>





## Bank Documents

- [Environmental and Social Impact Assessment - Part 1](#)
- [Environmental and Social Impact Assessment - Part 2](#)
- [Environmental and Social Impact Assessment - Part 3](#)
- [Environmental and Social Impact Assessment - Part 4](#)
- [Environmental and Social Impact Assessment - Part 5](#)
- [Environmental and Social Impact Assessment - Part 6](#)
- [Environmental Impact Assessment](#)
- [Non Technical Summary ESIA Kungrad \(Russian\)](#)
- [Non Technical Summary ESIA Kungrad \(Uzbek\)](#)
- [Non Technical Summary ESIA Kungrad 1.5GW Wind Farm 1](#)
- [Non Technical Summary ESIA Kungrad 843KM OHTL Project](#)
- [Project Summary \(January 24, 2025\)](#)