

Kazakhstan: Zhanatas 100 MW Wind Power Plant

SUMMARY

STATUS

Approved

MEMBER

Kazakhstan

SECTOR

Energy

E&S CATEGORY

Category B

PROJECT NUMBER

000225

FINANCING

APPROVED FUNDING

USD46.7 million

FINANCING TYPE

Nonsovereign

TIMELINE

CONCEPT REVIEW

May 28, 2019

APPRAISAL REVIEW/FINAL REVIEW

November 13, 2019

FINANCING APPROVAL

December 12, 2019

OBJECTIVE

Mobilize private capital to promote use of renewable energy by investing in a 100 MW wind power project in Southern Kazakhstan.

DESCRIPTION

The project is to develop, construct, and operate a 100 MW wind farm in Southern Kazakhstan, approximately 9 km southwest of Zhanatas in the Zhambyl region.

PROJECT FINANCING

For more information about project financing, please review the [project summary](#).

ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP) is applicable to this standalone financing. Environmental and Social Standard (ESS) 1 – Environmental and Social Assessment and Management is also applicable, and the Company commissioned the preparation of an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), a Stakeholder Engagement Plan (SEP), and a Land Acquisition Audit

in accordance with the Bank's ESP – including the ESS 1 and ESS 2 requirements. The Project is placed in Category B given that the number of potentially adverse environmental and social impacts are limited, not unprecedented or irreversible, and can be successfully managed using good practice in an operational setting, as confirmed by the Project Team's field visit and review of the E&S documentation prepared for the Project.

The proposed Project site was undeveloped due to its unsuitability for agriculture, seldom used for cattle grazing due its limited vegetation coverage and lack of water sources, and the presence of only few fauna and flora species was identified. Less than one third of the 233.5 hectares of leased land will be occupied by permanent facilities, while the remaining land will, after temporary disturbance caused by the Project, will again be accessible to herders. The avian migratory corridor nearest to the WPP migration lies 20 kilometers to the north along the Kyzykol, Sorkol, Akkol lake system that is visited by over 75 species of waterfowl. Only 21 species were observed at the site during the spring and autumn bird surveys, and bird numbers were relatively low. The specialist study concluded that the impacts of the Project on avian fauna will be minimal due to its location, which is largely unsuitable for nesting and rarely crossed by migratory birds, and the low altitude flight patterns – below the 30m to 150m risk zone of the blades' span – of the species observed at site. The avoidance of Greenhouse Gas emissions from renewable energy generation has been calculated to be 265,864tCO₂ equivalent per year.

Six neighboring farms, located over 2km from the nearest installation, were leasing land from the government's State Reserve land that was transferred to the Project as part of the 233.5 hectares allocated to the WPP. These 54 hectares represent less than one percent of the total land leased to community members, and twenty-three percent of the Project's total land lease. These Project-Affected People documented their relinquishment of a small portion of their leased land and in the course of interviews conducted as part of the ESIA confirmed they had no economic or other interest in the area relinquished. Since land acquisition was completed by the time the E&S documentation was prepared, the

Company has commissioned a Land Acquisition Audit against ESS 2 requirements, and committed to implement necessary livelihood restoration measures.

An archeological survey of the locations of the initial 51 turbines was conducted in November 2017 by a licensed archaeological company and identified 33 burial mounds, 22 of which are between 20 meters and 120 meters from the turbines. All 33 mounds were included in the list of the cultural heritage, and excavation of cultural materials at the 22 mounds nearest to facilities was completed by a licensed archeologist. Authorization to proceed with construction beyond a 50-meter buffer zone around the remaining 11 mounds was provided by the relevant authorities. The ESIA Consultant identified 4 remaining mounds located less than 50m from the internal roads. Either the road alignments will need to be altered or the mounds excavated by a licensed archeologist under supervision by the relevant authorities. A Chance Find Procedure was prepared to address any further archeological discovery during construction activities, including the construction of the powerline corridors, internal substation and storage areas, which were not covered in the 2017 archeological survey.

Construction risks such as earthworks, excavations, work in height, heat exertion, and electrical hazards during operation have been assessed in the ESIA and the management measures defined in the ESMP. The influx of workers will be minimal, and they will in their vast majority be housed in the nearby Zhanatas town. Stakeholder consultation took place during the ESIA preparation and confirmed support for the Project and limited concern about its impacts. The Company has disclosed a Non-Technical Summary and its SEP in English and Russian and the Project's environmental and social assessment in English on its website, accessible at: www.cpihzhanatas.kz. AIIB has also disclosed these documents on its site at: <https://www.aiib.org/en/projects/details/2019/approved/Kazakhstan-Zhanatas-100-MW-Wind-Power-Plant.html>. The Company has defined an external GRM in the SEP, and an internal GRM for project workers as part of its HR procedures.

On-going monitoring will be conducted by the EPC during construction, while the Company will supervise implementation of all E&S management and mitigation measure and report annually to AIIB on its progress in implementing the ESMP and its E&S performance. Semi-annual bird surveys during the Spring and Autumn migratory periods will be required to be conducted by specialist ornithologists, and all bird strikes will need to be recorded. AIIB will also conduct an annual E&S supervision mission.

https://www.aiib.org/en/projects/approved/2019/_download/kazakhstan/Zhanatas-WPP-Environmental-and-Social-Assessment-English.PDF.

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PROJECT NEWS

[AIIB Invests in Central Asia's Largest Wind Farm with First Project in Kazakhstan](#)

[Signing of the Memorandum of Understanding between AIIB and the Ministry of Energy of the Republic of Kazakhstan](#)

PROJECT DOCUMENTS

AIIB DOCUMENTS

[Project Summary_\(December 12, 2019\)](#)

CLIENT/COFINANCING PARTNER DOCUMENTS

[Zhanatas Windfarm Birds Monitorig Report](#)

[Zhanatas Wind Power Plant Project Environmental and Social Analysis-English](#)

[Zhanatas Wind Power Plant Non-Technical Summary-English](#)

[Zhanatas Wind Power Plant Non-Technical Summary-Russian](#)

[Zhanatas Wind Power Plant Stakeholder Engagement Plan-English](#)

[Zhanatas Wind Power Plant Stakeholder Engagement Plan-Russian](#)

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[Home](#) > [Projects](#) > [Project Summary](#) > [Project List](#) > [Project Details](#) > [Kazakhstan:](#)
[Zhanatas 100 MW Wind Power Plant](#)