



### Project Summary Information

Date of Document: Dec. 19, 2023	
<b>Project Name</b>	Kokshetau PPP Hospital Project
<b>Project Number</b>	P000762
<b>AIIB member</b>	Kazakhstan
<b>Sector/Subsector</b>	Health Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Project Description</b>	The proposed Public-Private Partnership (PPP) hospital project (the Project) will design, build, finance, and maintain a 630-bed multi-specialty hospital in Kokshetau, Kazakhstan. The Republic of Kazakhstan, represented by the Ministry of Healthcare (of Kazakhstan), shall act as the administrator for the Project. The total Project agreement period will span over seven years, encompassing a two-year construction phase followed by a five-year operational phase.
<b>Objective</b>	To enhance access to quality medical care infrastructure and services in Kokshetau, Kazakhstan.
<b>Expected Results</b>	The Project will deliver high-quality, energy-efficient hospital infrastructure with general and specialty health services in the Akmola region of Kazakhstan by optimizing value for money by adopting a PPP structure. This will allow to render previously unavailable advanced medical interventions and increase the accessibility of critical medical services. In addition, the Project will provide the Government of Kazakhstan with useful insight while implementing other projects under the Healthy Nation program. The hospital will cater to the healthcare needs of the Akmola Region, encompassing 10 cities, 17 districts, and 203 rural districts, with a total population of 733,800 people.
<b>Environmental and Social Category</b>	B
<b>Environmental and Social Information</b>	<b>Environment and Social Policy and Categorization.</b> The proposed Project will be co-financed with European Bank for Reconstruction and Development (EBRD). To ensure a harmonized approach to addressing Environmental and Social (ES) aspects of the Project, and as permitted by AIIB's Environmental and Social Policy (AIIB's ESP), EBRD's ESP and relevant Performance Requirements (PRs) will apply to this Project in lieu of AIIB's ESP. AIIB has reviewed the EBRD's ESP and PRs and is satisfied that: (a) they are consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including AIIB's Environmental and Social Exclusion List and the relevant Environmental and Social Standards; and (b) the monitoring procedures that are in place are appropriate for the project.

EBRD has categorized ES risks of the project as Category B (which is equivalent to Category B if AIIB's ESP were applicable) since the ES risks and impacts are limited, reversible, localized, will mainly occur during the construction phase and are successfully managed by good practices.

**Environmental and Social Instruments.** The project is public-private partnership (PPP) model, with the project sponsor responsible for construction of the hospital and provide five-year building maintenance and repair and health information management system, while other service during the operation will be provided by the Industry Operator (TURAR healthcare) under the Ministry of Healthcare. The project has prepared national environmental impact assessment and get approved 2 years ago. A Lenders' ES Consultant has conducted the ES due diligence (ESDD) and reviewed the project against applicable ES standards, with proposed ES action plan (ESAP). Based on the ESDD findings and agreed ESAP to address potential ES risks and impacts, a Non-Technical Summary (NTS) and Stakeholder Engagement Plan (SEP) has been prepared and reviewed by lenders.

As the client is only responsible for project construction and provide building maintenance and repair and health information management system service for the TURAR, the Industry Operator responsible for project operation. Majority of operational stage ES risk management is not directly controlled by the client. Based on the responsibility matrix of project implementation in different stage, the lenders' advisor has prepared separate ESAP for TURAR, to align the hospital operation with EBRD PR requirements. The client has actively engaged with TURAR to agree with all proposed ESAP, which will enter a commitment register as part of Lenders Direct Agreement with the Republic of Kazakhstan. The register includes retaining international consultancy support by TURAR Healthcare for development of operational ES management system and relevant management plans (to be approved by lenders six months before the commencement of operation) as well as provision of technical support for the delivery of the plans in line with EBRD's PRs.

**Environmental Aspects.** The Kokshetau hospital project is located in the Saryarka microdistrict of the city of Kokshetau, Akmola region, Kazakhstan, with an area of 17 hectares and 630 bed capacity. The area under development includes with shopping mall and residential area. Project construction will generate dust, noise, wastewater, and construction waste and will have impact for neighboring community, those impact will be mitigated through implementation of ESAP.

Operational stage environmental impact includes air emission from the boiler, healthcare waste, and wastewater. Based on the ESDD, the wastewater during construction and operation will adding limited capacity burden on the existing Kokshetau

city's Wastewater Treatment Plan. Based on the agreed ESAP in the commitment register, TURAR will identify and assign licensed medical waste disposal company and implement medical waste management plan align with EBRD PR requirement.

**Climate Change Risks and Opportunities.** The ESDD has estimated the greenhouse gas emission during project construction stage as 4,570t tCO<sub>2</sub>e and operation stage as 31,175 tCO<sub>2</sub>e. The project sponsor has been one of the leading players in energy efficiency with successful green building applications and have been successfully operating Leadership in Energy and Environmental Design (LEED) certified hospitals in Türkiye. The project is assessed against EBRD Green Economy Transition criteria and designed to be LEED silver certification, which will enable the project qualified as 100 percent climate finance and align with the Paris Agreement mitigation goals. The ESDD also conducted Climate Change Risk Assessment, identified wildfire and flooding are material risk in the region, and proposed the mitigation measures including design and building measure and management procedures to enhance the climate resilience of the project. The project is considered as align with Paris Agreement on Adaptation.

**Gender Aspects.** A Gender Action Plan for the Project has been developed by the Project Company. The Gender Action Plan sets out several actions to be taken by the Project Company to ensure a safe environment and present equal opportunities to women at the workplace. It also covers the Gender-Based Violence and Harassment risks and mitigation plan, with required resources, investment needs and responsible parties, as well as a timetable. The Industry Operator has committed to implement Gender-Based Violence and Harassment procedure during project operation stage, include training program to relevant staff by a third-party gender expert.

**Occupational Health and Safety, Labor and Employment Conditions.** The ESDD assessed that about 2,300 jobs will be created during construction. The ESDD proposed a comprehensive action plan to establish ES management system at Engineering, Procurement and Construction contractor level. During operation, the client will hire around 60 staff for building maintenance and repair service and IT service. The ESDD also identified potential relocation of existing 1,492 healthcare staff affected by the new hospital operation. Based on the commitment register, TURAR will prepare and implement a relocation plan that comply with national law and PR2 requirement of EBRD.

**Community Safety.** The Kokshetau hospital with 630 beds will serve a large number of patients during operation phase. The project's Life and Fire Safety design will be reviewed by qualified third party, with sufficient Life and Fire Safety management program and other Emergency Prepared Response program during operation. During construction phase, a

	<p>traffic management plan and emergency preparedness and response plan will be developed and implemented. The hospital operator TURAR will prepare a traffic modelling study to identify alternative routes during project operation, also implement traffic management measures based on the study.</p> <p><b>Information Disclosure and Project Grievance Redress Mechanism.</b> The project has prepared NTS<sup>1</sup> of the project, reflecting the key findings of ESDD and agreed ESAP to mitigate project ES risks. The NTS and SEP documents in English, Kazakh, and Russian languages have been disclosed at project website<sup>2</sup> and made available for download. EBRD has also disclosed its ES review <a href="https://www.ebrd.com/kokshetau-hospital-ppp">Kokshetau Hospital PPP (ebrd.com)</a>. The project sponsor has made high commitment for ES, occupational health and safety, and labor responsibility. During project construction, a Grievance Redress Mechanism (GRM) for local communities and other external stakeholders including construction workers will be established. The hospital operator will implement a GRM for affected communities and other stakeholders during hospital operation. The information of established GRMs will be timely disclosed in an appropriate manner.</p> <p><b>Monitoring and Supervision Arrangements.</b> The lenders intend to require independent monitoring during the project construction on quarterly basis. Implementation of the commitments register will also be monitored through regular ES report based on agreed format. AIIB will join lenders field supervision if required. The hospital operator will submit bi-annual ES performance report to the lenders for review, that will be prepared by independent ES consultant.</p>		
<b>Cost and Financing Plan</b>	The total estimated project cost is EUR467 million. AIIB's proposed non-sovereign backed loan is in the amount of up to EUR110 million.		
<b>Borrower</b>	RenEil Kokshetau LLP		
<b>Sponsor</b>	Rönesans Sağlık Yatırım A.Ş., the market leader in PPP healthcare projects, with six city hospitals that are already in the operation phase with a total of about 9,000-bed capacity accounting for ~32% of the total PPP Healthcare Portfolio in Türkiye. The Sponsor is responsible for designing, building, financing, and operating the Yozgat, Adana, Elazig, Bursa, Istanbul, and Gaziantep city hospitals.		
<b>Estimated date of first disbursement</b>	April/2024		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Sponsor</b>

<sup>1</sup> [KOKSHETAU HOSPITAL \(kokshetauppphospital.com\)](https://www.kokshetauppphospital.com)

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<b>Date of Concept Decision</b>	May 17, 2023		
<b>Estimated Date of Appraisal Decision</b>	January 2024		
<b>Estimated Date of Financing Approval</b>	Q1 2024		

<b>Independent Accountability Mechanism</b>	<p>Pursuant to AIIB's agreement with EBRD, EBRD's independent accountability mechanism, the Independent Project Accountability Mechanism (IPAM), will review, in accordance with the EBRD Project Accountability Policy, all requests regarding environmental and social issues that may arise under the Project. Consequently, in accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions to the PPM under the Project will not be eligible for consideration by the PPM.</p> <p>Information on EBRD's IPAM is available at <a href="https://www.ebrd.com/project-finance/ipam.html">https://www.ebrd.com/project-finance/ipam.html</a>.</p>
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