



### Project Summary Information

Date of Document Preparation: May 5, 2023

<b>Project Name</b>	Dak Lak Wind Power Project
<b>Project Number</b>	P000509
<b>AIIB member</b>	The Socialist Republic of Viet Nam
<b>Sector/Subsector</b>	Energy
<b>Alignment with AIIB's thematic priorities</b>	Green Infrastructure; Private Capital Mobilization
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To provide long-term financing for the construction of four wind farms in Viet Nam with an aggregate installed capacity of 200MW, through two phases.
<b>Project Description</b>	<p>The Project involves developing, constructing, and operating four 50MW wind farms in Dak Lak Province, Viet Nam with a total installed capacity of 200MW. Initial site work of the Project commenced in 2021. Commissioning is expected in 2023, subject to updates on the feed-in tariff regime in the country. The Project is expected to receive feed-in tariffs through long-term power purchase agreements with Vietnam Electricity (EVN).</p> <p>The Project will be developed through two phases: (i) Phase 1 is comprised of three 50MW sub-projects namely Krong Buk 1 (KB1), Krong Buk2 (KB2), and Cu Ne 1 (CN1); and (ii) Phase 2 is to develop the 50MW Cu Ne 2 (CN2) sub-project.</p>
<b>Expected Results</b>	The Project results are measured by: (i) Newly constructed power generation capacity in MW; (ii) Electricity generated from the newly constructed power plant in GWh per year; and (iii) Private capital mobilized in USD.
<b>Environmental and Social Category</b>	A
<b>Environmental and Social (ES) Information</b>	<b>Applicable Policy.</b> AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to this Project. ESS 1 (Environmental and Social Assessment and Management), ESS 2 (Involuntary Resettlement), and ESS 3 (Indigenous People) are applicable, as land acquisition, civil works linked to the project activities and community health and safety issues related to noise, shadow flickering and blade throw during the operational phase is likely to cause permanent and temporary economic and physical

displacement along with adverse environmental impacts. Along with being situated in a commune where Ethnic Minorities are present, the Project has also adversely impacted Ethnic Minorities in local project area. Therefore, the Project has been assigned Category "A," according to the ESP, because of physical and economic displacement and impact on vulnerable groups, including Ethnic Minorities.

**Environmental and Social Instruments.** The Client has prepared an Environmental and Social Impact Assessment (ESIA), an Stakeholder Engagement Plan (SEP), an Indigenous People Plan (IPP), and a Resettlement and Livelihood Restoration Plan Framework (RLPF) in accordance with national legislation and regulation; however, as the documents were not in line with the requirements of AIIB's ESP and ESSs, a Corrective Environmental and Social Action Plan (CESAP) was prepared to address the major gaps following AIIB's ESP and ESSs. The CESAP describes the environmental and social (E&S) mitigation, monitoring, and organizational measures to be implemented by the Client. In addition, the CESAP will support addressing outstanding issues at the time of the approval of the financing in a timely and appropriate manner and implementation of AIIB's ESP, ESSs, and ESEL, as well as relevant applicable local laws and regulations and good industry practice. The CESAP comprises ten topics and includes corresponding actions, deliverables, and timeframe. Specifically, the CESAP requires the Client to prepare a tailored Stakeholder Engagement Plan (SEP), Land Acquisition Audit and Socioeconomic Census Report, Resettlement and Livelihood Restoration Plan and Community Development Plan (RLRCDP), Biodiversity Management Plan (BMP) and Birds Adaptive Management Plan (BAMP), Noise Management Plan (NMP), Environmental and Social Management Plan (ESMP), Operational Manual, Shadow Flickering Management Plan, Third Party GRM review report and regular Quarterly Monitoring report. The timing of the implementation of the mitigation is also outlined in the CESAP.

**Environmental Aspects.** The Project is expected to generate direct and indirect adverse impacts on biodiversity during construction, operation, maintenance, and decommissioning, manifested through dust emissions, habitat fragmentation, noise, solid waste, wastewater, etc. Preliminary screening indicates that eight Key Biodiversity Areas (KBA) and six Protected Areas are found within a 50 km radius of the project area. The major potential impacts include bird and bat collision-related fatalities, noise, and shadow flickering during the operational phase. In addition, the location of operational turbines may represent a barrier to migratory species. Adverse impacts can also result from associated facilities, particularly overhead transmission lines and access roads. Hence a Critical Habitat Assessment (CHA) will be conducted to review the eco-sensitive areas indicated. This Project is part of the wind energy development that involves other wind power plants in the same region, and it can cause cumulative impacts. These impacts are assessed in the ESIA, and appropriate mitigation measures will be included in the ESMP and the CESAP, including BMP, BAMP and RLRCDP.

**Social Aspects.** This is a refinancing project. The Project has acquired a significant proportion of its land requirement, and civil works are at an advanced stage. However, the land use rights certificate (LURC) transfer for the acquired land and the associated payments to the affected parties are incomplete. The Project is likely to have generated various adverse social impacts from land acquisition, and construction of WTGs and associated infrastructure such as transmission lines, access, and internal roads. The Project has already caused displacement and, through future activities, will likely cause further economic and physical displacement of households, businesses, and community property resources with and without a title. Disproportionate effects on vulnerable groups, including women, the elderly, PWDs, economically vulnerable, and Ethnic Minorities are likely. Negative impacts linked with Community health and safety will potentially include physical and economic displacement of residential structures falling within the designated setback zone from the turbine. To mitigate the Project's adverse impacts including identifying and resolving legacy issues, the CESAP requires the Client to carry out a Land Acquisition Audit and Socioeconomic Census and prepare and implement a Resettlement, Livelihood Restoration, and Community Development Plan (RLRCDP). Meaningful and culturally appropriate consultation will be carried out to design the mitigation measures in accordance with updated SEP.

**Indigenous Peoples.** Fourteen ethnic groups, including Kinh, E de, Tay, Nung, Muong, Xo Dang, Gai Rai, Dao, Hoa, Kho Mu, Man, Cao Lan, Thai, and San Chi are present in Krong Buk District. E de ethnic group was identified as the dominant ethnic minority group in the project area. The ESIA and fieldwork have indicated that Ethnic Minority Households have potentially been impacted due to project activities already carried out. Moreover, future project-related civil works and land acquisition will likely generate adverse impacts. To minimize the negative effects on Ethnic Minority Households, the CESAP includes provisions for the client to prepare a Resettlement Livelihood Restoration and Community Development Plan. The aim of the Community Development Plan (CDP) to be prepared as part of the RLRCDP is to ensure that the beneficiary programs that will be designed for the community are beyond the measures outlined in the RP and to maximize the project's benefits at the community level. Moreover, meaningful and culturally appropriate stakeholder consultation will be carried out to update the Stakeholder Engagement Plan outlined in the CESAP and during the preparation of mitigation measures.

**Consultations, Information Disclosure, and Monitoring.** The Client prepared a SEP; however, it was limited in its coverage, and COVID-19 related restrictions stunted the ability of the client to carry out culturally appropriate meaningful consultations with various stakeholders. The CESAP requires the Client to prepare and implement an updated Stakeholder Engagement Plan (SEP) inclusive of a communication plan - to manage the E&S information disclosure to relevant stakeholders, including ethnic minorities and local CSOs/NGOs, on time. Updating of the SEP will involve meaningful consultation and communication with ethnic minorities and identified vulnerable groups, carried out in the language(s) used

	<p>by the ethnic minorities. The updated SEP aims to provide an avenue through which various stakeholders can obtain information regarding project design and implementation, risks, impacts, mitigation measures, and culturally appropriate development benefits, as well as a project-level grievance redress mechanism (GRM) to raise their concerns and aspirations. E&amp;S instruments in English will be disclosed timely on AIIB's website and Project company's website by the Client at least 60 calendar days prior to approval of project financing. Translations of executive summaries of E&amp;S instruments, in particular ESIA including ESMP, SEP, IPP, RLRCDP, and CESAP, will be promptly disclosed in English and Vietnamese. The Client will be required to prepare and submit quarterly E&amp;S monitoring reports to AIIB during the first two years for review. After that, a new submission Frequency will be decided depending on the nature of pending E&amp;S issues and the overall E&amp;S performance status of the Project. AIIB will conduct onsite supervision missions bi-annually.</p> <p><b>Grievance Redress Mechanism (GRM).</b> Currently no community or workers GRM at the project-level in line with AIIB's ESF is in place. The CESAP includes provisions to establish and operationalize community and workers GRM, provide dedicated personnel to manage the GRM process and to make the GRM more accessible to the project-affected peoples (PAPs), many of whom are Ethnic Minorities or identified vulnerable groups. Moreover, a third-party review of the existing GRM process will be carried out focusing on accesseableness, responsiveness, adequacy and management and closing of outstanding issues. The information of established project-level GRM and the Project-affected Peoples Mechanism (PPM) of AIIB in local understandable language(s) will be timely disclosed to related local stakeholders in particular identified vulnerable group and the ethonic minorities in an appropriate manner. The Project quarterly E&amp;S monitoring reports will include performance assessment of the GRM.</p>
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<b>Cost and Financing Plan</b>	The Total Project Cost is estimated to be around USD[345.8] million, which is proposed to be financed by USD[115.8] million of equity and USD[230] million of AIIB A/B loan, with an A Loan amounting to USD[100] million financed by AIIB and B Loan amounting to USD[130] million financed by commercial banks.
<b>Borrowers</b>	Phase 1: Krong Buk New Energy Investment Company Limited Krong Buk Wind Energy Company Limited Cu Ne Renewable Energy Investment Company Limited Phase 2: Cu Ne Wind Power Investment and Management Company Limited
<b>Guarantor</b>	China Huadian Engineering Company Limited

<b>Sponsor</b>	China Huadian Engineering Company Limited		
<b>Estimated date of first disbursement</b>	2023		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Sponsor</b> China Huadian Engineering Company Limited	<b>Borrower</b> Krong Buk New Energy Investment Company Limited Krong Buk Wind Energy Company Limited Cu Ne Renewable Energy Investment Company Limited Cu Ne Wind Power Investment and Management Company Limited
<b>Name</b>	James Lok	ZHANG Yang	GAO Jingxuan
<b>Title</b>	Lead Investment Operations Specialist	Director of Strategy & Financing Dept., International Business Company	Business Supervisor of Strategy & Financing Dept., International Business Company
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<b>Date of Concept Review Decision</b>	May 2021		
<b>Estimated Date of Final Review Decision</b>	Q3 2023		
<b>Estimated Date of Financing Approval</b>	Q4 2023		
<b>Independent Accountability Mechanism</b>	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIIB's Management.		

	Information on AIIB's PPM is available at: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a> .
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