



Project Summary Information

Project Name	Surkhandarya 1,590MW CCGT Power Plant
Project Number	P000603
AIIB member	Uzbekistan
Sector/Subsector	Energy / Conventional energy generation (Gas)
Alignment with AIIB's thematic priorities	Sustainable Energy for Asia, Private Capital Mobilization
Status of Financing	Approved
Objective	To increase the availability of high-efficiency gas-fired power generation capacity in line with the power sector decarbonization strategy of the Republic of Uzbekistan.
Project Description	<p>The Project involves the design, construction, maintenance and operation of a greenfield combined-cycle gas turbine (CCGT) power plant of 1,590MW capacity and associated infrastructure in Surkhandarya region in Uzbekistan. The Project is being developed by Stone City Energy (SCE, 25%), EDF (15%), Siemens Energy (25%) and Nebras Power (35%), through a dedicated project company SCE-Quvvat LLC.</p> <p>Consistent with the Uzbekistan Ministry of Energy's "Concept note for ensuring the electricity supply in Uzbekistan in 2020-2030", the Project is supported by a 25-years Power Purchase Agreement (PPA) signed between SCE-Quvvat and JSC National Electric Grid of Uzbekistan in April 2021, as amended and restated in May 2023. The Project is developed using Siemens Energy's SGT5-9000HL turbines with baseload efficiency of more than 60 percent. The Project is expected to be operational in January 2027.</p>
Expected Results	<p>The key results indicators are:</p> <ul style="list-style-type: none"> a) Generation capacity installed b) Electricity generation c) GHG emissions avoided

	d) Energy efficiency
Environmental and Social Category	The Project is categorized A under AIIB's Environmental and Social Policy (ESP).
Environmental and Social Information	<p>Applicable Policy and Standards. The AIIB's Environmental and Social Policy (ESP), including Environmental and Social Standard 1 (ESS1) on Environmental and Social Assessment and Management, and the Environmental and Social Exclusion List (ESEL) is applicable to this Project. ESS2 (Involuntary Resettlement) and ESS3 (Indigenous Peoples) are not applicable as the Project will not require land acquisition or involuntary resettlement as well as there are no Indigenous Peoples identified in the Surkhandarya Region according to the Project Team's due diligence. The Project is assigned Category A in accordance with the ESP, due to large-scale construction activities and significant GHG emissions. In accordance with AIIB's ESP, an Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP) and a Stakeholder Engagement Plan (SEP) have been prepared. A comprehensive environmental and social due diligence (ESDD) has also been conducted. Based on the ESDD, an Environment and Social Action Plan (ESAP) has been prepared. The 9km 220/500kV overhead transmission lines to be built by JSC National Electric Grid (NEGU) to connect the Project power substation to the existing national grid are identified as the Associated Facilities (AF) to this Project. The environmental and social (E&S) impacts of the AF are discussed in the ESIA and the mitigations are recommended to NEGU as the Borrower has no control or influence over the AF.</p> <p>Environmental and Climate Change. During the construction phase, the Project will result in certain negative impacts locally, including air pollution, noise and vibration resulting from heavy machinery and vehicles, soil erosion, discharge of wastewater and disposal of construction wastes. Mitigation measures are included in the ESMP. During operation, the Project will use a closed-loop cooling system with water supplied from the Uchkizil reservoir. The local authority has confirmed the water use by the CCGT will not affect other water users, like agricultural irrigation. A wastewater treatment system will be established within the Project and treated water will be discharged into Uchkizil reservoir in compliance with the standards of Uzbekistan. Thus, the impacts on surface water quality would be negligible. The noise and air quality assessments show compliance with applicable standards, including the National and international standards.</p> <p>According to the requirement of the local environmental authority, a Water Protection Zone (WPZ) has been assigned with a width of 150 meters from the water's edge of Uchkizil reservoir. The only activities within the WPZ will be construction for water intake and wastewater pipelines, which is compliant with the WPZ requirements. The impacts on the WPZ and water environment of Uchkizil reservoir are considered minor with mitigation measures. The EPC contractor is required to obtain relevant permits in accordance with the national regulations.</p>

No Key Biodiversity Area including International Bird Areas are in the area of impact of the project. Based on terrestrial and aquatic surveys and the Critical Habitat Assessment, it was concluded that the Project site is not a critical habitat of any of the threatened species. A comprehensive assessment was conducted for the sensitive ecological receptors and mitigation measures are included in the ESIA for various phases of the Project. A Biodiversity Management Plan will be prepared by the contractor prior to site clearance. The water intake velocity will be limited within 0.15 m/s and a bubble curtain shall be applied to prevent fish and fauna to enter the intake. This Project is not expected to induce significant cumulative impacts according to the ESIA.

GHG emissions are estimated at 4,874 ktCO₂eq (scope 1 and 2) in 2027, first year of operations of the Project. A Climate Change Risk Assessment was carried out as per the Equator Principle IV. The physical risks are ranked as moderate. A number of measures have been incorporated into the Project design and included in operational plans to address the findings of the assessment, including a dry cooler system for condensers minimizing process water consumption.

Social Aspects. The land provided for the Project is from Surkhandarya regional reserve and is not currently under possession by any individual or legal entity. According to the decision by the regional administration, dated 30 August 2021, the Project area of 73 ha was allocated for the construction of a CCGT power plant. The decision was disclosed through the unified portal of the Ministry of Justice (<https://e-qaror.gov.uz>). During social surveys conducted in 2021 and 2022, no legal and/or informal land users were observed. There is no agricultural or other economic activity observed within the Project area. Consequently, the Project would not require any new land acquisition or any involuntary resettlement. Although there are no livelihood activities present in the Uchkizil reservoir, the water from the reservoir is used for the irrigation of crops and to supply water for fish breeding pools located in nearby villages. Therefore, the Project will monitor the quantity of water withdrawn from the Uchkizil reservoir and the quality of blowdown water discharged into the reservoir to manage and/or mitigate any potential risks to fishing, irrigated farming, and other water users from this reservoir. The results of the water monitoring will be regularly shared with relevant authorities and other interested stakeholders through the activities under the SEP. The Livelihood Restoration Framework prepared as part of ESIA covers water-related livelihood impacts, as well, and the project Grievance Redress Mechanism (GRM) will be disclosed to broader communities that might have concerns or interests related to the Project.

Gender aspects. As a generator of additional power in the region, the Project is designed to deliver universal benefits to men and women equally, such as access to economic resources and employment opportunities. The Project will implement gender equality measures required under national law and AIIB's ESP requirements, such as creating gender equality opportunities and managing risks associated with gender-based violence (GBV).

	<p>Stakeholder Engagement and Information Disclosure. Consultations with project-affected people (PAP) and communities, government agencies and other stakeholders have been carried out during the preparation of the ESIA. Focus group discussions with households including women from local communities were held. Additional consultations have also been held after disclosure of the draft ESIA and ESMP, as detailed in the SEP to enable meaningful consultation and inclusive participation. The ESIA including the ESMP has been finalized according to the consultations. Hard copies of the E&S documents will be made available at the Project site. The ESIA in English and Uzbek languages and the Non-Technical Summary and SEP in English, Russian and Uzbek languages are disclosed at the websites of SCE (http://stonecityenergy.com/projects) and AIIB (https://www.aiib.org/en/projects/details/2023/approved/Uzbekistan-Surkhandarya-1560MW-CCGT-Power-Plant.html).</p> <p>Grievance Redress Mechanism. A detailed GRM is provided for in the ESIA. The project will establish two separate GRMs, one for internal parties, i.e., construction and commissioning personnel, contracted workers, and project staff (including subcontractors); and the other for external parties, i.e., PAP. The Project will publish information on GRMs at the plant-level for related stakeholders and PAP including local communities in accordance with the prepared ESIA. The information on the plant-level GRM and AIIB's independent accountability mechanism, i.e. the Project-affected People's Mechanism (PPM) in the local language will be disclosed in a timely and appropriate manner. Access to the GRMs and the PPM will be free of cost. The relevant EPC Contractor will also be required to establish its GRM, and the contacts to access this GRM will be disclosed in local language in a timely and appropriate manner. Similar GRMs will be established for the operation phase.</p> <p>Monitoring and Supervision Arrangements. The Bank's E&S Specialists will carry out field-based E&S monitoring missions regularly. Meanwhile, the LESA will conduct site inspection and monitoring quarterly during construction and the first two years after COD and semi-annually thereafter and report to the Bank and other lenders based on agreed format from time to time.</p>		
Cost and Financing Plan	Total estimated Project cost is EUR1,200 million that will be covered by Sponsors' equity and external debts, including AIIB's expected commitment up to EUR225 million.		
Borrower	SCE-Quvvat LLC		
Contact Points:	AIIB		SCE
Name	Eric Massart	Mehek Marwaha	Stefan Romen

Title	Senior Investment Operations Specialist	Senior Investment Operations Specialist	Chief Technical Officer
Email Address	eric.massart@aiib.org	mehek.marwaha@aiib.org	rom@stonecityenergy.com
Date of Concept Decision	27 April 2022		
Date of Final Decision	17 May 2023		
Date of Financing Approval	14 June 2023		

Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected People's Mechanism (PPM) applies to the Project. The PPM has been established by the 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 its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Plant-level GRMs or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policyon-theproject-affected-mechanism.html.</p>
---	---