



Project Summary Information

Date of Document Preparation/Updating: 10/13/25	
Project Name	Transforming Rail Connectivity in Kazakhstan (Middle Corridor Development)
Project Number	P001038
AIIB member	Kazakhstan
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To (i) expand and modernize Kazakhstan's railway capacity to meet rising demand for transit and trade, primarily between East Asia and Europe through international transport corridors in Kazakhstan; and (ii) enable KTZ to mobilize long-term private capital investments and strengthen the financial sustainability of railway investments.
Project Description	AIIB and World Bank will co-guarantee commercial loans to support Kazakhstan Temir Zholy's (KTZ) priority infrastructure program over the next few years. This Project includes construction of the Mointy-Kyzylzhar greenfield railway line, which will optimize alignment of and add capacity to the Middle Corridor. The investment supports construction of a direct greenfield railway shortcut in Central Kazakhstan to improve throughput capacity and reduce distance by bypassing the congested bottleneck sections. The project is also expected to support technical assistance to enhance KTZ's ability to leverage funds in financial markets. The Ministry of Finance of Kazakhstan will provide a counter guarantee to IBRD and AIIB.
Expected Results	(i) Increased railway carrying capacity and throughput; (ii) Reduced travel distance and time for freight transport, with the Middle Corridor shortened by 149 km (km/hours); (iii) Private capital mobilized – strengthened ability of KTZ to access commercial financing (billion KZT); (iv) People benefiting from improved access to sustainable transport infrastructure and services, including women and youth (number of people).
Environmental and Social Category	A

Environmental and Social Information	Applicable Policy and Categorization. The Project will be co-financed with the World Bank (as lead co-financier). Its Environmental and Social (ES) risks and impacts are being assessed in accordance with World Bank's Performance Standards (WB PSs). To maintain a harmonized approach under co-financing, and as permitted by AIIB's Environmental and Social Policy (ESP), WB PSs will apply to this Project in lieu of AIIB's ESP. AIIB has reviewed the WB PSs and is satisfied that (i) they are consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and relevant ES Standards; and (ii) the monitoring procedures in place are appropriate for this Project. The Project's ES category is determined by WB under the WB PSs as A (equivalent to AIIB Category A). The categorization is driven by the potential biodiversity sensitivities along the corridor but also reflects the linear and large-scale nature of works and construction and operation-phase community health and safety risks. Environmental and Social Instruments. A draft Environmental and Social Impact Assessment (ESIA) has been prepared for the Project and is accompanied by a draft Biodiversity Management Plan (BMP), draft Stakeholder Engagement Plan (SEP), draft Land Acquisition and Resettlement Action Plan (LARAP), and draft Labor Management Procedure (LMP). Additional management plans are also committed to address other construction ES risks and impacts. In addition, an Environmental and Social Due Diligence (ESDD) and gap analysis are being carried out by the Project team together with the WB to inform a time-bound Environmental and Social Action Plan (ESAP), which will be agreed with the Client and disclosed prior to financing approval. Environmental Aspects. Biodiversity will be the key ES risk of the Project. The alignment crosses two Important Bird Areas (IBA). A 41km section of the route is located in IBA KZ063 (Ayak Bestau), and around 86km in IBA KZ064 (Ortau Lowlands). The Andasai State Nature Reserve forms part of the Ortau Lowlands IBA and is also bisected for 16.6 km. Roughly two-thirds of the alignment is also identified as high or medium importance for the migration of Saiga antelope (IUCN Near Threatened). The IBAs have been classified as critical habitat. Measures to address risks and achieve net gain will be addressed through WB's ESAP. Construction phase ES risks are typical for linear infrastructure in this region and include community health and safety risks through increased traffic, temporary access disruptions, labor influx, occupational health and safety, dust, noise, erosion and sedimentation, land and water pollution, and generation of hazardous and non-hazardous wastes. The scale of noise impacts associated with the operation of the railway are limited by the rural and remote location and absence of residences within the Right of Way. The risk of accidents during the operation of the Project have not yet been assessed and requirements for identifying and addressing risks will be set out in WBs ESAP. Social and Gender Aspects. Social risks primarily relate to use of 'reserve' lands that are subject to existing use rights, including of farming households, energy companies, and other entities. Economic displacement impacts will be addressed
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in accordance with the LARAP which covers eligibility, entitlements, and livelihood support. The scale of such impacts is expected to be limited due to the remote location. No physical displacement is required. Construction activities may also pose community health and safety risks through increased traffic, temporary access disruptions, and labor influx, while vulnerable groups could be disproportionately affected. The draft SEP makes sure systematic engagement with affected communities is planned effectively and the LMP addresses labor and working conditions, worker grievance handling, occupational health and safety, worker accommodation, non-discrimination, gender based violence (GBV) and harassment. In addition, the Project will achieve gender impact through responsiveness embedded in its ES instruments, which address risks such as differentiated effects of land acquisition on women and men, gender-based violence (GBV) and sexual exploitation and abuse linked to labor influx, and safety concerns experienced differently by women and men in communities along the corridor.

Occupational Health and Safety (OHS), Labor and Employment Conditions. The Project will involve OHS risks associated with large-scale railway construction, including earthworks, heavy equipment operation, working at height, welding and hot works, and traffic interfaces. Labor influx may also create risks related to worker welfare and community interactions. The LMP will be prepared to cover these issues – which will be further elaborated in a dedicated OHS Plan. Specific measures will address high-risk construction activities, contractor and sub-contractor management, emergency preparedness, and standards for worker accommodation. OHS risks associated with maintenance will be similar to construction and managed through existing KTZ management systems.

Stakeholder Engagement and Information Disclosure. Stakeholder engagement covers all communities and groups within the Project's area of influence, including vulnerable, informal and seasonal users. The SEP is prepared to define the approach for consultation and disclosure during preparation and implementation, supported by a project-level grievance mechanism accessible to affected people. The Plan describes the mapping of stakeholders, methods of engagement, communication in appropriate languages, and disclosure of key ES instruments such as the ESIA, LARAP and LRP together in English and Kazakh Languages. Public consultations were held on 24 September 2025 in Mointy and 25 September 2025 in Karazhal. These were observed by WB. Feedback received through consultations will be recorded and reflected in mitigation measures. The relevant ES documents can be found via <https://projects.worldbank.org/en/projects-operations/project-detail/P512386>.

Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement. A project-level GRM has been established to receive and resolve concerns from affected people in a timely and transparent manner. The mechanism is designed to cover the entire scope of the Project, accessible through multiple channels and providing clear timelines for

	acknowledgement and resolution of grievances. The established GRM is disclosed to communities through the SEP in an appropriate manner. Records of grievances received, corrective actions taken, and their outcomes shall be appropriately maintained. Monitoring and reporting arrangements, including regular reporting by the Client, and the potential use of a Lenders' Advisor, contractor supervision consultant or third-party monitor, will be further discussed and detailed in the Appraisal Project Document.	
Cost and Financing Plan	The estimated cost of the Project is USD 1.41 billion to be entirely raised from commercial lenders. IBRD and AIIB (collectively "Guarantors") plan to co-guarantee the associated commercial loan on a pro-rata basis, of which, AIIB's guarantee would cover up to USD 564 million (AIIB's Pro-rata Share is 40 percent of total loan amount) and IBRD would cover up to USD 846 million (IBRD's Pro-rata Share is 60 percent of total loan amount). The guarantee scope includes principal and interest of the loan. For each scheduled repayment installment of principal and interest under the loan, IBRD and AIIB will cover up to 95% of the default amount, up to their guarantee amounts respectively.	
Borrower	Kazakhstan Temir Zholy JSC	
Guarantor	Ministry of Finance of the Republic of Kazakhstan	
Estimated date of loan closing	2041	
Contact Points:	AIIB	Borrower
Name	Wenyu Gu	Daniyar Arkalyk
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Estimated Date of Concept Decision	October 15, 2025	
Estimated Date of Appraisal Decision	Q4 2025 – Q1 2026	
Estimated Date of Financing Approval	Q4 2025 – Q1 2026	

Independent Accountability Mechanism	Pursuant to AIIB's agreement with the WB, the WB's PS will apply to this Project instead of AIIB's ESP. The WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism (IAM), the Inspection Panel, which reviews the WB's compliance with its policies and procedures, will handle complaints relating to the WB's compliance with its PSs under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM regarding such complaints under this Project will not be eligible for consideration by the PPM.
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