



Project Summary Information

Date of Document Preparation/Updating: 06/04/26	
Project Name	Almaty Railway Bypass Project
Project Number	P000870
AIIB member	Kazakhstan
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation
Status of Financing	Approved
Objective	To increase the capacity and speed of freight rail transportation in Southeast Kazakhstan by constructing a railway section bypassing Almaty city.
Project Description	<p>The Project comprises the provision of a 10-year Senior Unsecured Corporate Loan of up to USD150 million in CHF equivalent to JSC “National Company “Kazakhstan Temir Zholy” (KTZ) to construct and operate a new single-track electrified railway to bypass Almaty city in Southeast Kazakhstan. The new bypass line will run through the suburban area of Almaty city adjoining the existing mainline network from Zhetygen station in the east to Kazybek Bek station in the west. The Project involves the construction of 75 km of single-track electrified railway, 3 new stations, 13 bridges, 5 railway and one road overpasses, reconstruction of Zhetygen and Kazybek Bek stations.</p> <p>KTZ is a 100 percent state-owned railway company that possesses almost all rail infrastructure (the third-longest rail network among the Commonwealth Independent States) and is the largest owner and operator of locomotives, freight, and passenger rail cars in Kazakhstan. KTZ is an integrated group of companies that provide infrastructure access, locomotive traction, passenger, cargo transportation, and logistics services.</p>
Expected Results	The expected results of the Project will include: (i) travel time reduction (in relation to time travel through Almaty rail lines) for freight trains (direct freight trains); and (ii) increase in freight volume. Intermediate indicators will monitor the construction

	progress under the Project and will include: (i) railway line construction completed; (ii) railway line electrification completed; and (iii) railway stations and crossings constructed and upgraded.
Environmental and Social Category	Category A
Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs) apply to this Project. The Project has been categorized as Category A in accordance with the ESP because of large-scale land acquisition and associated economic displacement. To facilitate a harmonized application of AIIB's and International Finance Corporation's (IFC) ES policies under the Project, the project's environmental and social (ES) risks and impacts have been assessed in accordance with the requirements of AIIB's ESP (as well as IFC's ES policies).</p> <p>Environmental and Social Instruments. The primary assessment instrument is a Supplementary Environmental and Social Impact Assessment (SESIA) including an integrated Environmental and Social Management Plan (ESMP), a Rapid Cumulative Impact Assessment (RCIA) and a Non-Technical Summary (NTS). Key management instruments are a Stakeholder Engagement Plan (SEP); Biodiversity Management Plan (BMP); Construction Environmental and Social Management System (CESMS) including risk-specific procedures; Livelihood Restoration Plan (LRP); and Resettlement Action Plan Framework (RAPF).</p> <p>Environmental Aspects. The propagation of noise from the operational railway and its impacts on residents living close by is the primary issue of concern identified. The SESIA concluded that approximately 22 properties in total, located around Zhetygen and Kazybek Bek stations, could be subject to operational noise changes above acceptable limits. KTZ has identified feasible options for reducing worst-case rail noise at impacted receptors. These include potential for noise barriers of 2.25 km at Zhetygen Station and 1 km at Kazybek Bek Station and sound proofing of properties as described in the supplementary ESIA. The final specification and composition of noise mitigation measures will be informed by a program of additional longer-duration baseline noise measurements and updated noise modelling. The effectiveness of mitigations will be monitored. The Project crosses a Key Biodiversity Area (KBA) for around 5 km. A biodiversity impact assessment including critical habitat assessment (CHA) was completed for the SESIA. These concluded that no critical habitat will be impacted. A BMP that sets out mitigation to achieve no net loss for natural habitats and an associated program of monitoring has been prepared. In addition, KTZ has appointed a biodiversity specialist for the management, implementation and reporting of activities undertaken within the scope of the BMP. Other potential environmental risks and impacts during construction of the Project are standard and include dust, groundwater use, hazardous materials, and waste management.</p>

Risks are managed through a Construction Environmental and Social Management System (CESMS). Operations phase aspects include water consumption and disposal and managing hazardous materials and wastes. The Borrower will address operations phase aspects through a corporate Environmental and Social Management System (ESMS).

Social Aspects. The Project through the local district governments (Akimats), initiated a land acquisition process in 2023 to acquire approximately 1,056.43 ha of land in İliy, Karasay, Talgar and Zhambyl districts and Alatau city as per national laws and regulations. At the date of the SESIA finalization, 70 plots (31.9%) had been acquired, 19 land plots (8.6%) were under court cases while 92 plots (42%) were still pending acquisition. Additionally, 38 plots (17.5%) did not require acquisition, mainly because they fell under either state-owned land under lease or were considered insignificant in size and hence voluntarily donated upon negotiation with the landowner. Also, there were 22 structures identified for acquisition in Alatau City, including 13 residential houses and 9 barns or small shops, which were unoccupied. KTZ completed two studies: (i) "Report on Gap Analysis Between Land Acquisition and Resettlement Policy and Procedures of the Government of Kazakhstan and IFC PS5 Requirements", in September 2024, to assess the gaps between the procedures and processes used for acquisition of land and IFC's PS5 (and AIIB ESS2 which is materially consistent); and (ii) LRP including RAPF in February 2025 within the scope of SESIA. KTZ will commission a competent resettlement consultant to implement the LRP and RAP consistent with the RAPF to manage the physical relocation of 13 to 15 affected households in Alatau city in compliance with AIIB ESS 2 and IFC PS5 requirements.

Gender Aspects. The SESIA has carried out consultations with women and vulnerable groups. The consultation sessions captured and reflected the concerns of women to inform the resettlement process. The Project will continuously engage and consult with various categories of stakeholders, including women, throughout the Project cycle by the implementation of a Stakeholder Engagement Plan and CESMS. KTZ will also revise its Human Resource (HR) policies and procedures to better address and define gender-based violence and sexual harassment to include disciplinary measures and definitions of prohibited behaviors.

Occupational & Community Health and Safety, Labor and Employment Conditions. KTZ has an Occupational Health and Safety (OHS) management system certified to the ISO45001 standard, and a corporate Environmental and Social Management System (ESMS) that covers its core operations. Construction OHS risks are managed through a contractor OHS management plan. KTZ and the EPC contractor will appoint additional OHS managers and personnel for implementation and oversight of the OHS management plan. KTZ's HR policies align with national legislation and are generally consistent with International Standards. The HR Policy and Human Rights Policy cover working conditions, freedom of association, non-discrimination, occupational health and safety, internal grievance mechanisms, and third-party

supplier labor standards. In addition, due to the project's proximity to settlements and villages, particularly at Kazybek Bek and Zhetygen stations, community health and safety risks may arise during both the construction and operational phases. KTZs systems for managing operational rail safety will be checked for compliance with good international industry practice (GIIP) and updated if required, prior to operations commencing. Overpasses are designed into the Project to minimize risks associated with crossing the railway, and the completeness of this provision is committed to be reviewed for assurance prior to operations commencing.

Stakeholder Engagement, Consultation and Information Disclosure. The stakeholder engagement activities as part of the SESIA studies (gender-sensitive) included interviews with government officials, focus group discussions with farmers, representatives of small businesses and vulnerable groups, and a socio-economic baseline survey conducted with 298 respondents among the Project-affected people between 28th October 2024 and 26th January 2025. The four District Akimats of Talgar, Iliy, Karasay and Zhambyl were engaged extensively throughout these consultations. The SEP was developed within the scope of the SESIA, which has been disclosed together with the NTS, SESIA, BMP, and LRP in April 2025. For the construction and operation phases of the Project, the SEP identifies information disclosure, communication and consultation strategies at public, community, individual and project levels.

Project Grievance Redress Mechanism (GRM). A three tier grievance resolution mechanism will be established at the site level. Minor issues may be resolved at the first tier Community Liaison Level, with more serious matters progressing to the Grievance Redress Committees (GRC) at district level and the GRC at the Project and Headquarter level. In addition, the KTZ website presents several ways for communicating grievances including a hotline phone number, mobile application, and third-party provider's [website](#) that contain a complaint form. The Ombudsman of NC KTZ JSC is also reachable for any complaint or resolution of community conflicts through ombudsman@railways.kz. The information of project-level GRM and Bank's Project-affected People's Mechanism (PPM) will be timely disclosed to local communities in an appropriate manner.

Monitoring and Supervision Arrangements. KTZ will monitor the key ES parameters and performance indicators during construction as identified in the CESMS framework and associated management plans. An ES monitoring plan for the operations phase will be developed that will cover relevant parameters and indicators, consistent with operations phase ES management plans. The monitoring plan will be prepared within the scope of a corporate ESMS update. KTZ will submit annual reports to AIIB and IFC in the agreed format for review. The Bank's ES Specialists will conduct semi-annual missions to monitor the implementation of the ES instruments and assess the Borrower's ES performance, with the frequency of missions to be adjusted based on performance and associated risks.

Cost and Financing Plan	The total Project costs is around USD340 million, of which USD300 million will be provided by AIIB, IFC, and Standard Chartered Bank (SCB) under Multilateral Investment Guarantee Agency (MIGA) guarantee.			
Estimated Date of last disbursement	November 2027			
Borrower	KTZ			
Guarantor	Joint Stock Company «Sovereign Wealth Fund «Samruk-Kazyna»			
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Date of Concept Decision	05/30/24			
Date of Appraisal Decision	03/21/25			
Date of Financing Approval	07/15/25			

Independent Accountability Mechanism	AIIB Project-affected People's Mechanism (PPM) applies to the Project, allowing for independent review of submissions from Project-affected people who may be affected by the Bank's failure to implement its Environmental and Social Policy, in cases when their concerns cannot be addressed satisfactorily through the project-level GRM or the Bank's management processes. For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .
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