Project Summary Information

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Project Name	Zarafshon 600MWh BESS Project
Project Number	P000884
AIIB member	Uzbekistan
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To enhance Uzbekistan's grid stability and reliability essential for achieving its renewable energy transition by supporting Masdar's expansion of energy storage capacity.
Project Description	The Project involves the development, construction, financing, ownership, operation and maintenance of a greenfield 300MW/600MWh battery energy storage system (BESS) in the Navoi region of Uzbekistan, together with the design, engineering, procurement, construction and commissioning of the associated Electrical Interconnection Facilities (EIF), comprising the grid connection transmission line and substation.
Expected Results	The preliminary indicators to measure the expected results from the Project are presented below: • Available BESS Capacity (300 MW/600 MWh) • Greenhouse Gas Emission Avoidance (tCO2 eq/year) • Electricity provided to power equivalent number of households (number)
Environmental and Social Category	B
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to the Project. ESS 1 (Environmental and Social Assessment and Management) is applicable to the Project. ESS 2 (Land Acquisition and Involuntary Resettlement) and ESS 3 (Indigenous Peoples) are not triggered, as no land acquisition, displacement or livelihood impacts are anticipated, as well as no Indigenous Peoples meeting the criteria of ESS 3 have been identified within the Project area of influence. The Project has been classified as Category B, as the anticipated environmental and social

	(ES) risks and impacts are limited in number, largely site-specific, generally reversible, and can be effectively managed through the mitigation measures identified in the Project's ES instruments. **Environmental and Social Instruments.** The Sponsor has prepared an Environmental and Social Impact Assessment (ESIA), including an Environmental and Social Management Plan (ESMP), and a Stakeholder Engagement Plan (SEP) in accordance with the requirements of AIIB's ESP and applicable national requirements. The ESIA assesses the Project's ES risks and impacts and identifies mitigation, monitoring and management measures, while the SEP establishes the framework for stakeholder engagement, information disclosure and grievance management throughout the Project lifecycle. AIIB has undertaken environmental and social due diligence (ESDD) of the Project, and an Environmental and Social Action Plan (ESAP) has also been prepared to address remaining actions and commitments identified during due diligence. **Environmental Aspects.** The anticipated environmental risks and impacts associated with the construction and operation of a BESS and transmission line include temporary impacts on air quality due to earthworks, such as excavation and ground leveling, loss of flora during vegetation clearance, disturbance of fauna, vehicle movement on unpaved surfaces, gaseous emissions from construction vehicles and equipment, noise generated from construction activities, generation of solid and hazardous wastes, wastewater, soil contamination from spills and leaks of materials, traffic impacts and occupational health and safety impacts. There is no associated facility linked with this project. The transmission line will be approximately 1 km long, underground, with a 220 kV capacity. The assessment of the proposed site determined that there are no protected areas or key biodiversity areas near the site. The presence of the Central Asian Tortoises and a flora species listed in Uzbekistan's Red Book and protected under national conservation legislation was identified at the project site. The impact on the Central Asian Tortoises and on different floral species was assessed and relevant mitigation and management measures are proposed. Expected operational impacts include waste generation, noise from routine maintenance activities, management of end-of-life batteries, risk of fire and explosion and occupational and community health and safety. All the risks and impacts are assessed, and relevant mitigation measures have been proposed in the ESIA. **Social and Gender Aspects**. The Project occupies a total site area of approximately 10.4 ha including the BESS facility, associated infrastructure and a short underground cable connection to the Muruntau Substation. The Project is located on state-owned land. ESDD, including field surveys, stakeholder consultations and ESS2 screening, confirmed that no formal or informal land users, residential structures, livelihood activities, economic displacement, physical displacement or restrictions on land use are associated with the Project site. The Project also has identified the potential social risks related to local employment, labor influx, worker-community interactions, stakeholder engagement and access to Project information and grievance mechanisms. These issues will be managed through implementation of Labor and Working Conditions Management Plan (LWCMP), grievance mechanisms, and other relevant management plans. The Project will also assess and manage risks related to the influx of workers, including potential gender-based violence (GBV) and sexual exploitation and abuse (SEA), in line with good international practice. Measures include targeted engagement with vulnerable groups, equal opportunity commitments, monitoring of workforce and stakeholder engagement indicators where feasible, and awareness and prevention measures relating to gender-based violence and harassment (GBVH), sexual exploitation and abuse, and sexual harassment (SEAH) risks.

	Occupational Health and Safety (OHS), Labor and Employment Conditions. The Project will involve a peak construction workforce of 300 - 400 workers, including contractor and subcontractor personnel. Key labor and OHS risks identified through the ESIA include construction-related accidents and injuries, worker accommodation and welfare issues, worker-community interactions, communicable diseases, and GBVH/SEAH risks associated with labor influx. These risks will be managed through implementation of the LWCMP, OHS Plan, Worker Accommodation Plan, worker grievance mechanism, Codes of Conduct, and associated contractor management procedures. All contractors and subcontractors will be required to comply with applicable national labor legislation, AIIB's ESP requirements, and Project-specific labor, health and safety standards, including provisions relating to fair recruitment, non-discrimination, worker welfare, grievance management, and safe and healthy working conditions. **Stakeholder Engagement, Consultation and Information Disclosure.** A SEP has been prepared to guide stakeholder engagement, information disclosure and consultation activities throughout Project implementation. The SEP identifies affected and interested stakeholders, establishes consultation and disclosure requirements, and includes a project-level grievance redress mechanism. Stakeholder consultations were undertaken during project preparation and will continue throughout the Project lifecycle. ES instruments including ESIA and SEP will be disclosed by the Client and AIIB in accordance with the requirements of AIIB's ESP, with key information made available in locally appropriate languages and accessible formats. **Project Grievance Redress Mechanism (GRM).** A project-level GRM has been established through the SEP to receive, register and facilitate resolution of concerns and complaints from Project-affected people and other stakeholders. The GRM includes multiple grievance submission channels, procedures for confidential and anonymous complaints, and escalation and monitoring arrangements. Information about the GRM and the Bank's Project-affected People's Mechanism (PPM) will be disclosed to the stakeholders in an appropriate manner throughout Project implementation, and its effectiveness will be monitored and periodically reviewed as part of ongoing stakeholder engagement activities. **Monitoring and Reporting Arrangements.** During implementation, AIIB will monitor compliance with the ESAP and applicable ES requirements through review of periodic monitoring reports, implementation progress updates, incident reporting and follow-up supervision activities, including site visits, as required. The Client will be responsible for implementing the ESMP, SEP, LWCMP and other applicable management plans, and for maintaining ES monitoring and reporting arrangements throughout Project implementation. More details on frequency and format of monitoring and reporting will be determined during ESDD or project appraisal.
Cost and Financing Plan	The total project cost is estimated to USD160.00 million. AIIB senior secured loan will up to USD56 million.
Borrower	Zarafshan Energy Storage Foreign Enterprise Limited Company

Implementing Entity/Sponsor	Abu Dhabi Future Energy Company PJSC - Masdar		
Estimated date of last disbursement	June 2028		
Contact Points:	**AIIB**	**Borrower**	**Masdar**
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Date of Concept Decision	12/26/25		
Estimated Date of Appraisal Decision	October 2026		
Estimated Date of Financing Approval	December 2026		

Independent Accountability Mechanism	The Project-affected People's Mechanism (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: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.