

# Compliance Assessment Report

Zarafshon Wind

EBRD Project number 52362

Case 2024/01

December 2025

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The **Independent Project Accountability Mechanism (IPAM)** is the project grievance mechanism of the EBRD. It reviews environmental, social, and Project disclosure-related concerns raised by Project-affected people and civil society organisations. IPAM can address concerns through two avenues: i) Problem-solving, which supports dialogue between Requesters and Clients without attributing blame or fault; or ii) Compliance, which determines whether the EBRD has complied with its Environmental and Social Policy and Access to Information Policy in relation to the Project.

For information about IPAM, please contact us at [ipam@ebrd.com](mailto:ipam@ebrd.com) or visit [the IPAM webpage](#).

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## How to submit a complaint to the IPAM

Concerns about the environmental and social performance of an EBRD Project can be submitted by email, in writing, or via the online form at:

<https://www.ebrd.com/project-finance/ipam.html>

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## List of abbreviations

ADB	Asian Development Bank
CAO	Compliance Advisor/Ombudsman, the independent accountability mechanism of the International Finance Corporation
EBRD	European Bank for Reconstruction and Development
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V, the Dutch Development Bank
IBA	Important Bird Area
IPAM	Independent Project Accountability Mechanism
JICA	Japan International Cooperation Agency
KBA	Key Biodiversity Area
OSPF	Office of the Special Project Facilitator, the dispute resolution arm of the independent accountability mechanism of the Asian Development Bank
PAP	2019 Project Accountability Policy
SPV	Special Purpose Vehicle

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## Executive summary

### The Request

On 7 March 2024, IPAM received a Request related to the Zarafshon Wind Project in Uzbekistan, from CEE Bankwatch (the Requesters), an international civil society organisation filing as a non-affected organisation. The request raised concerns regarding adverse impacts on biodiversity within the project area as it alleged that some of the wind turbines had been installed too close to a nesting area for a threatened bird species, thus altering the breeding process and generating risk of collision with the turbines.

The Requesters asked for confidentiality by asking IPAM not to disclose staff names and to refer to Bankwatch generically as the Requester, citing concerns about identification and retaliation against individual experts in Uzbekistan.

Similar requests were submitted to the Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC) and the Office of the Special Project Facilitator (OSPF) of the Asian Development Bank (ADB), by the same Requesters.

### The Project

The [Zarafshon Wind Project \(OpID 52362\)](#) was approved by the Board on 22 July 2022, involves the construction and operation of a 500 MW greenfield wind farm in the Tamdy District, Navoi region. The project comprises 111 turbines, a substation, access roads, cabling, and short overhead transmission lines. The site spans 9,600 hectares located approximately 3.5km from Mount Aktau Important Bird Area (IBA), which hosts raptor species of international conservation concern. The borrower is an SPV owned by Masdar, a subsidiary of Mubadala Investment Company. Given its scale and location near ecologically sensitive areas, the project was classified as Category A under the 2019 Environmental and Social Policy (ESP), requiring comprehensive environmental and social due diligence.

The Project is also funded by the ADB, IFC, FMO and JICA, and at the time the Request was submitted, it was completing the construction phase.

### IPAM process

The Request was registered on 13 May 2024 as [Case 2024/01](#), as the 2019 Project Accountability Policy recognises the right of non-affected organisations to file a Request when the latter may relate exclusively to environmental issues, where no Project-affected People reside (paragraph 2.1(a) ii). However, as provided in the Policy, these cases can only be considered under the Compliance function, and once registered, it was directly transferred to said function.

As IPAM could not consider Problem Solving, which was the primary interest of the Requesters, they asked for a temporary suspension of the IPAM process while they pursued a dispute resolution process through the CAO of the IFC. As such the IPAM compliance process was considered a last resort only to be activated if no consensual agreement was reached.

In November 2025, IPAM was informed by the Requesters that they had reached an agreement under the CAO-led process and therefore wished to withdraw their Request.

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## Conclusion and next steps

In light of the Requesters' decision and the apparent resolution of their concerns through the CAO dispute resolution process, IPAM recommends that the Board approve the closure of Case 2024/01.

This Compliance Assessment Report will be shared with the relevant parties and published in the [Case Registry](#) at.ebrd.com under [Case 2024/01 Zarafshon Wind](#) (English version), following the Board's non-objection. Upon disclosure of this report, the processing of this case will be formally concluded.

## 1. The Case and processing to date

### 1.1. The Request

On 7 March 2024, IPAM received a [Request](#) related to the Zarafshon Wind Project, which is funded by the European Bank for Reconstruction and Development (EBRD). The Request was submitted by CEE Bankwatch a non-affected organisation. The Requesters asked for confidentiality by asking IPAM not to disclose staff names and to refer to Bankwatch generically as the Requester, citing concerns about identification and retaliation against individual experts in Uzbekistan.

The Request alleges that the project does not comply with several articles of the EBRD's 2019 Environmental and Social Policy, particularly those related to biodiversity conservation, the mitigation hierarchy, stakeholder engagement, and the protection of critical habitats.

**Table 1. Issues raised in the request**

Issues raised	Allegations by the Requesters
Inadequate Protection of Biodiversity and Critical Habitats	The most important part of the Tamdytau mountain for biodiversity was not established as a protected area. The location of the Aktau-Tamdy state reserve was changed at the last moment, moving it away from the scientifically recommended area, which is crucial for endangered species and unique flora. This change appears to have been made to avoid conflicts with the Zarafshon Wind Project and other developments.
Insufficient Assessment and Mitigation of Environmental Impacts	The Environmental and Social Impact Assessment (ESIA) for the project lacked information on the potential impact on the proposed protected area and did not suggest adequate mitigation measures. There was also a failure to assess alternative locations for the wind turbines, and the cumulative impact of multiple wind projects in the region was not considered.
Harm to Threatened Bird Species	The project is located in core areas for globally and nationally threatened bird species, including raptors such as the saker falcon, Egyptian vulture, cinereous vulture, golden eagle, and saker falcon. Turbines were placed close to active nests, and mitigation measures (such as buffer zones) were not based on robust scientific evidence. The shutdown-on-demand system (Identiflight) has significant limitations and cannot fully address the risks to birds and bats.
Lack of Transparency and Timely Data Sharing	Data from the 2022 nest survey was not shared with stakeholders until after construction had already started. The ESIA report disclosed the exact locations of nests, increasing the risk of poaching and nest robbing, which is a significant threat to endangered species in the region.
Systemic Issues in Project Siting and Due Diligence	The land for the project was allocated based on wind potential and infrastructure, with little consideration for environmental risks. The EBRD and other lenders had limited ability to avoid negative impacts due to the project's advanced stage when approached for financing.
Inadequate Stakeholder Engagement and Consultation	There was no meaningful consultation with local people or environmental experts regarding the location of the wind project. Land acquisition disregarded the rights of local people to graze livestock, and concerns about human rights and freedom of expression in Uzbekistan prevented local experts from participating openly in the complaint process.

In their Request, Bankwatch mentioned their interest on the long-term protection of the Aktau Mountain, prevention of species extinction, independent monitoring of project impacts, relocation or curtailment of some turbines, improved due diligence by EBRD, and asked for their concerns to be addressed through both problem-solving and compliance review processes through IPAM.

Similar requests were submitted in parallel to the IFC and the ADB.

## 1.2. The Project

The Zarafshon Wind project was approved by the EBRD on 22 July 2022, to finance the development, construction and operation of a greenfield wind power plant with 500 MW of installed capacity located to the East of Zarafshon, in the Tamdy District of the Navoi region of Uzbekistan.

The borrower is an Uzbek Project Special Purpose Vehicle (SPV) owned by Abu Dhabi Future Energy Company PJSC - Masdar (Masdar), which is fully owned by Mubadala Investment Company, an investment company established and fully owned by the Government of Abu Dhabi.

The Project aims to contribute to increasing the share of renewable projects in the national scenario and adding 500 MW of wind generation capacity to the national system.

The wind farm, encompassing 111 wind turbines, occupies 9,600 hectares and is located 3.5 km from the Mount Aktau, an Important Bird Area (IBA) and a Key Biodiversity Area (KBA),<sup>1</sup> which supports breeding and resident population of raptors, which are of international and national conservation status.<sup>2</sup>

The Project is categorised as A under the Bank's 2019 ESP, due to associated environmental and social risks, namely biodiversity and land. The ESDD was undertaken jointly with the other Lenders, IFC, ADB, FMO and JICA.

## 1.3. Processing to date

### 1.3.1. Registration of the request

The Request was registered by IPAM on 13 May 2024 under [Case 2024/01 \(Zarafshon Wind\)](#) as it met the criteria for Registration established in Section 2.2 (b) of the PAP, and none of the exclusions set out in Section 2.2 (c) of the PAP applied at that stage. The registration of a Request is an administrative step establishing that the following criteria have been met:

- all mandatory information has been provided;
- issues raised relate to specific obligations of the Bank under the 2019 Environmental and Social Policy (ESP) and/or the project-specific provisions of the Access to Information Policy (AIP),
- it relates to a Project that the Bank has approved; and
- the Request submitted is related to an active project or is submitted within 24 months of the date in which the Bank has ceased to have a financial interest in the project.

As per the PAP, immediately after registration the Case was transferred to the Compliance Assessment Stage as Requests submitted by organisations that are not directly or personally affected by a Project, if registered, may only be considered under IPAM's Compliance function.

<sup>1</sup> See BirdLife International's site categorisation at <https://www.keybiodiversityareas.org/site/factsheet/20579>.

<sup>2</sup> The area is home to Egyptian vulture (Endangered category) and Cinereous Vulture (Near Threatened category) as per IUCN Red List Category, see details at: [BirdLife DataZone](#).

### 1.3.2. Compliance Assessment

In Compliance Assessment stage IPAM seeks to determine whether a Case is eligible for a Compliance Review or not. The PAP establishes that two criteria must be met to initiate an investigation:

- i. upon preliminary consideration, it appears that the Project may have caused, or may be likely to cause, direct or indirect and material harm to the Requesters (or, if different, the relevant Project-affected People); and,
- ii. there is an indication that the Bank may not have complied with a provision of the Environmental and Social Policy (including any provision requiring the Bank to monitor Client commitments); or the Project-specific provisions of the Access to Information Policy (AIP), in force at the time of Project approval.

On 18 July 2024, the Requesters asked IPAM to temporarily suspend its Compliance Assessment process as they were pursuing a dispute resolution process through the CAO's dispute resolution function, which was their preferred avenue for redress.

Based on this, IPAM temporarily suspended the processing of Case 2024/01 with an initial deadline of September 2024, then extended to the end of October 2025 as the CAO process progressed.

On 6 November 2025, the Requesters informed IPAM in writing that they had reached an agreement to be monitored by the CAO. As a consequence, they would be withdrawing their Request to IPAM.

## 2. Conclusion and next steps

In light of the Requesters' decision and the apparent resolution of their concerns through the CAO dispute resolution process, IPAM recommends that the Board approve the closure of Case 2024/01.

This Compliance Assessment Report will be shared with the relevant parties and published in the [Case Registry](#) at.ebrd.com under [Case 2024/01 Zarafshon Wind](#) (English version), following the Board's non-objection. Upon disclosure of this report, the processing of this case will be formally concluded.