



Project Summary Information

Date of Document Updated: November 20, 2025	
Project Name	Tarbela 5 Hydropower Extension Project
Project Number	P000005
AIIB member	Pakistan
Sector/Subsector	Energy / Renewable energy generation - hydropower
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Approved
Objective	The Project Objective is to facilitate the sustainable expansion of Pakistan's electricity generation capacity providing a low cost, clean, renewable energy option. The Project will add capacity of 1,410 Megawatt (MW), with annual electricity generation of over 1,800 Gigawatt-hours (GWh), primarily during the summer season when demand is highest.
Project Description	<p>The Project, co-financed with World Bank (WB), will enable the installation and commissioning of additional power output from existing Tarbela hydropower dam. The Project will help Pakistan in sustainable expansion of the country's low-cost generation capacity. Key implementation activities of the Project include:</p> <ul style="list-style-type: none"> a. construction of a power house and modification of existing tunnel (Tunnel 5) to house the power plant, b. power equipment and transmission line: <ul style="list-style-type: none"> (i) supply and installation of power units and ancillary equipment for the power house on the Tunnel 5 to generate power; and (ii) construction of transmission line to evacuate power, c. technical assistance to support implementation of a social action plan, environmental and social management plan, and dam safety monitoring surveillance program, d. Construction supervision and monitoring and evaluation consultancies, and e. technical assistance to support PMU with project management, implementation support and studies, and capacity building.

Expected Results	<p>The total capacity at Tarbela with the induction of Tarbela 5 Hydropower extension will become 6,298 MW and annual average generation is expected to increase to 19,000 GWh. Key Results Indicators include:</p> <p>Indicator 1: Generation Capacity of Hydropower Constructed Under the Project (MW)</p> <p>Indicator 2: Electricity supply of renewable energy annually (GWh)</p> <p>Indicator 3: Availability of generation capacity during summer months (MW)</p>
Environmental and Social Category	A
Environmental and Social Information	<p>The Project is co-financed with the WB as lead co-financier, and its environmental and social (ES) risks and impacts have been assessed in accordance with the WB's Environmental and Social Safeguard Policies (Safeguard Policies). To ensure a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), AIIB agrees that the WB Safeguard Policies apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the WB Safeguard Policies and is satisfied that: (i) it is consistent with the Bank's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and the relevant Environmental and Social Standards; and (ii) the monitoring procedures that are in place are appropriate for the Project.</p> <p>The Project has also been placed by the WB in Category "A" as the Project is a large undertaking by Water and Power Development Authority (WAPDA), in conjunction with the ongoing construction of the WB-funded Tarbela Fourth Extension Hydropower Project (T4HP).</p> <p>An Environmental and Social Assessment (ESA) of the Project, prepared jointly by WAPDA and National Grid Company (NGC), previously known as National Transmission and Dispatch Company Ltd. (NTDC), considers adverse environmental and social issues likely to arise during the complete project cycle, including the preconstruction, construction, and operation phases. In addition, WAPDA and NGC have prepared a land acquisition and resettlement framework (LARF), which covers preparation of resettlement action plans (RAPs) for the transmission line (component b-ii above) and a new grid station to which the transmission line will be connected. This grid station will be constructed and financed by the WB under another project (National Transmission Modernization I Project (NTMIP)). A Social Action Plan (SAP) has been included in the Project along with resources, based on experience gained in T4HP.</p>

	<p>The Project does not have impacts on any natural habitat or forest and is not expected to contribute to any cumulative impacts since it will not change Tarbela's operational regime. The main impacts of this project will be construction-related environmental impacts and occupational health and safety risks. The mitigation measures to address the adverse impacts are included in the ESA. Several legacy resettlement and land acquisition cases under both the 1970s Tarbela Dam project and the 1990s Ghazi Barotha Hydropower project have been addressed through a Resettlement Commission financed under the T4HP. This Commission has been reconstituted and financed under the WB's Additional Financing to continue to work on remaining legacy cases under the Project.</p> <p>Consultation and Disclosure. Consultations were undertaken with local communities during project preparation in the project area and the views of stakeholders have been included in the development of mitigation measures under the ESA. Consultations with the local communities will continue through the SAP, during implementation of the RAPs and as communication initiatives under the Project. The ESA and LARF have been completed and disclosed by WAPDA¹ and also posted on the WB's website². The RAP for the transmission line has been posted by NGC, WB and the Bank. The RAP for the Islamabad West Grid Station has been disclosed by the WB of the NTMIP.</p> <p>Project-level Grievance Mechanisms. A project-level grievance redress mechanism is used for the Project. A tripartite Grievance Redress Committee on labor issues has been operational during T4HP and will continue to address labor complaints and employment issues under the Project.</p>
Cost and Financing Plan	<p>Program cost: USD 823.5 million</p> <p>Financing Plan:</p> <ul style="list-style-type: none"> • AIIB loan: USD 300 million • IBRD loan: USD 390 million • Government: USD 133.5 million (WAPDA and NGC)
Borrower	Islamic Republic of Pakistan
Implementing Entity	<p>Water and Power Development Authority (WAPDA)</p> <p>National Grid Company (previously known as National Transmission and Dispatch Company (NTDC))</p>

¹ <https://wapda.gov.pk/download/environment-and-social-impact-assessment-esia-report/>

² <https://projects.worldbank.org/en/projects-operations/document-detail/P157372>

Estimated date of loan closing	Original: 30 June 2022; 1 st ext.: 30 June 2025; 2 nd ext.: 30 June 2028			
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Date of Concept Decision	July 1, 2016			
Date of Appraisal Decision	July 28, 2016			
Date of Financing Approval	September 27, 2016			
Independent Accountability Mechanism	As noted above, WB's Safeguard Policies apply to this project instead of AIIB's ESP. Pursuant to AIIB's agreement with the WB, AIIB relies on the WB's corporate Grievance Redress Service (GRS) and its independent accountability mechanism to handle complaints relating to ES issues that may arise under the project. Consequently, in accordance with the Bank's Policy on the Project-affected People's Mechanism (PPM), submissions to the PM under this project are not eligible for consideration by the PPM. For information on how to submit complaints to the WB's corporate GRS, please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service . For information on how to submit complaints to the WB Inspection Panel, please visit http://www.inspectionpanel.org .			