

**Pakistan: Tarbela Fourth Extension Hydropower Project
Specific Investment Loan**

SUMMARY OF DISCUSSION*

Meeting of Executive Directors

March 20, 2012

Executive Directors approved a Tarbela Fourth Extension Hydropower Project Loan and Credit for the Islamic Republic of Pakistan in the amount of US\$440 million equivalent (IDA Credit) and US\$400 million (IBRD loan) respectively on the payment terms and conditions set out in the President's Memorandum (R2012-0036 [IDA/R2012-0044]).

Directors expressed support for the Project to facilitate a sustainable expansion of Pakistan's electricity generation capacity and help shift the mix away from imported fuel oil for thermal generation towards low-carbon, least-cost renewable hydropower generation. More broadly, Directors emphasized the importance of moving in parallel in addressing critical energy sector reforms. Directors also particularly encouraged focus on efficiency and transparency in procurement and financial management, promoting good governance more broadly, as well as careful implementation of the Social Action Plan to deal with outstanding resettlement issues. Finally, Directors urged close monitoring, given the range of risks facing the project's implementation.

*This summary is not an approved record.