

 Early Warning System

WB-P504536

BEST-PAK MPA Program Phase 1: Grid Stability Enhancement Project



Quick Facts

Countries	Pakistan
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	B
Voting Date	2026-07-09
Borrower	Government of Pakistan - Ministry of Energy- Power Division; National Grid Company of Pakistan (NGC)
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 375.90 million
Project Cost (USD)	\$ 695.30 million



Project Description

According to the Bank's website, the objective of this project is to strengthen transmission system stability and enhance operational performance.

The BEST Pakistan (BEST-PAK) program is structured as a vertical MPA, consisting of multiple IPF operations designed to support critical investments in domestic transmission infrastructure, while advancing sector reforms and institutional capacity building to unlock the potential of the power sector. The proposed BEST-PAK vertical MPA accelerates the TSEP's critical transmission investments, including through PPPs, and advances NTDC's restructuring. The proposed BEST-PAK MPA will be implemented over 10 years (FY26-35).

The MPA framework consists of two complementary program areas that lay the groundwork for a well-performing power transmission system and institutions:

- * Program Area 1, Strengthening Transmission Infrastructure: With a focus on financing hard infrastructure, projects in this area aim to advance power transmission development and modernization, including high-voltage transmission lines, substations, reactive power supply and control equipment, and battery energy storage systems. BEST-PAK MPA's four simultaneous phases support TSEP investment requirements for both immediate-priority projects required to alleviate critical bottlenecks, and medium- to long-term projects for more reliable and resilient grid.

- * Program Area 2, Advancing Transmission sub-sector Reform and Institutional Capacity Development: This focuses on supporting the implementation of NTDC restructuring and strengthening institutional capacity. TAs support is offered at the project level (design, preparation, implementation) and mobilizing global knowledge to enable the transition to well-functioning transmission institutions and a sustainable transmission subsector development that attracts private investments.

The preparation for subsequent phases will be supported under Phase 1 operation. The program will leverage lessons learned and insights gained from earlier operations to inform the design of future phases and facilitate the dissemination of successful practices across operations. In parallel, targeted support for creating an enabling environment and strengthening institutional capacity will be instrumental in ensuring efficient project preparation and implementation.

The BEST-PAK is planned to be implemented in four phases/operations, each with its own technical assistance (TA) for preparation and implementation support. The first two phases (and potentially Phase 3 planned to be the first competitive PPP transmission line through a One WBG approach) will focus on addressing the most urgent and critical transmission bottlenecks.

The Government of Pakistan has requested funding support for these projects with the Bank leading the coordination with MDBs and private sector (in close collaboration with IFC and MIGA). In particular, Phase 1 will finance the installation of reactive power compensation devices (i.e., STATCOMs) in selected existing substations to enhance grid stability, along with associated TA, and support NTDC's reforms. The subsequent phases will target projects aimed at further strengthening the national transmission system to enhance reliability and enable greater integration of renewable energy.



Early Warning System Project Analysis

The Environment and Social risk for the proposed MPA is rated as Substantial, given the typical E&S risks associated with transmission investments under all program phases. The Environment and Social risk classification for Phase 1 activities is considered **Moderate**.



Investment Description

- World Bank (WB)

Total Project Cost: US\$ 695.30 million

IDA Credit + IBRD Commitment: US\$ 375.90 million



Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

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Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - BEST-PAK MPA Program Phase 1: Grid Stabil
- Appraisal Environmental and Social Review Summary (ESRS) - BEST-PAK MPA Program Phase 1: Grid Stabil
- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - BEST-PAK MPA Program Phase 1: Grid Stabilit
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - BEST-PAK MPA Program Phase 1: Grid Stability Enhan
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- Environmental and Social Commitment Plan (ESCP) BEST-PAK MPA Program Phase 1: Grid Stability Enhance
- Environmental and Social Management Plan (ESMP) BEST-PAK MPA Program Phase 1: Grid Stability Enhance
- Pakistan - Boosting Energy Security through Transmission in Pakistan (BEST-PAK) Multiphase Programma
- Record of Approval on an Absence of Objection Basis on July 9, 2026
- Revised Stakeholder Engagement Plan (SEP) BEST-PAK MPA Program Phase 1: Grid Stability Enhancement P
- Stakeholder Engagement Plan (SEP) - BEST-PAK MPA Program Phase 1: Grid Stability Enhancement Project
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Other Related Projects

- AIIB-001032 Pakistan: Grid Stability Enhancement Project