RECOMMENDATION OF STATUTORY COMMITTEE

TO: The President, International Development Association

Recommendation of the Committee under Section 1 (d) of Article V of the Articles of Agreement on the proposed Credit and Grant (Sustainable Rural Water Supply and Sanitation Sector Project) to the Republic of Nicaragua.

The undersigned Committee constituted under Section 1 (d) of Article V of the Articles of Agreement of International Development Association (the Association) hereby submits its recommendation pursuant to said Section in respect of the proposal that the Association grant to the Republic of Nicaragua, (Recipient) a credit in an amount of fourteen million three hundred thousand Dollars ($14,300,000) and a grant in an amount equivalent to ten million two hundred thousand Special Drawing Rights (SDR 10,200,000). The purposes of said credit and grant are to: (a) increase the access to sustainable water supply and sanitation services in selected poor rural areas of the Recipient through the consolidation of rural water supply and sanitation sector institutions and the provision of adequate infrastructure; and (b) improve the Recipient’s capacity to respond promptly and effectively to an eligible emergency.

1. The Committee has carefully studied the merits of the proposal to grant such a credit and grant, and of the purposes to which the proceeds of the credit and grant are to be applied.

2. The Committee is of the opinion that the Project toward the financing of which the proceeds of such credit and grant are to be applied comes within the purposes of the Association as set forth in Article I of said Articles of Agreement, and that said Project is designed to promote the economic development of the Republic of Nicaragua and is of high developmental priority in the light of the needs of the Republic of Nicaragua.
Republic of Nicaragua

(Sustainable Rural Water Supply and Sanitation Sector Project)

3. Accordingly, the Committee finds that said Project merits financial assistance from the Association, and hereby recommends said Project for such assistance.

COMMITTEE

[Signature]

Senior Vice President and Group General Counsel

[Signature]

Expert Selected by Governor for the Republic of Nicaragua

[Signature]

Regional Vice President
Latin America and the Caribbean

Dated at Washington, D.C.

February 19, 2014