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 (Pakistan: Fiscally Sustainable and Inclusive Growth Development Policy Financing) to the Islamic Republic of Pakistan.

1. 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 Islamic Republic of Pakistan (Recipient) a credit in an amount equivalent to two hundred and fifty eight million five hundred thousand Special Drawing Rights (SDR 258,500,000). The main program development objectives are to: (i) increase private and financial sector development through measures fostering privatization, improving the business environment, facilitating trade and promoting financial inclusion, and (ii) expand social protection and revenue mobilization through measures seeking to protect priority social protection expenditure and create fiscal space.

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

2. The Committee is of the opinion that the project towards the financing of which the proceeds of such credit 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 Recipient and is of high developmental priority in the light of the needs of the Recipient.
3. Accordingly, the Committee finds that said project merits financial assistance from the Association, and hereby recommends said project for such assistance.

Dated at Washington, D.C.
April 22, 2014