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 Additional Credit and Grant (Nepal-India Electricity Transmission and Trade Project) to Nepal

The undersigned Committee constituted under Section 1(d) of Article V of the Articles of Agreement of the International Development Association (the Association) hereby submits its recommendation pursuant to said Section in respect of the proposal that the Association grant to Nepal (the Recipient) an additional credit in an amount equivalent to SDR 24,600,000 and an additional grant in an amount equivalent to SDR 1,400,000. The purpose of said additional credit and grant are to: (a) establish cross-border transmission capacity of about 1000 MW to facilitate electricity trade between India and the Recipient; and (b) increase the supply of electricity in the territory of the Recipient by the sustainable import of at least 100 MW of electricity.

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

2. The Committee is of the opinion that the project in support of which the proceeds of such additional credit and grant are to be applied continues to come 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 Nepal and is of high developmental priority in the light of the needs of Nepal.
3. Accordingly, the Committee finds that said project merits financial assistance from the Association, and hereby recommends said project for such additional assistance.

COMMITTEE

[Signatures]

Senior Vice President and
Group General Counsel

Nominee selected by Governor for Nepal
Deputy Chief of Mission

Acting Regional Vice President
South Asia

Dated at Washington, D.C. 5/20/13