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 (Fourth East West Highway Improvement Project) to Georgia.

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 Georgia (the Recipient) a credit in an amount equivalent to twenty four million and five hundred thousand Special Drawing Rights (SDR 24,500,000). The purposes of said credit are to: (i) contribute to the gradual reduction of road transport costs and to improve road safety along the section upgraded under the Project; and (ii) strengthen the capacity of the Roads Department and the Ministry of Regional Development and Infrastructure of the Recipient to plan and manage the road network and improve road traffic safety. The Project will also be supported by a loan from the International Bank for Reconstruction and Development in an amount of thirty eight million United States Dollars (US$38,000,000).

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

2. The Committee is of the opinion that the project toward 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 Georgia and is of high developmental priority in the light of the needs of Georgia.
GEORGIA

(Fourth East West Highway Improvement Project)

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

COMMITTEE

[Signatures]

Senior Vice President and Group General Counsel

Nominee selected by Governor for the Georgia

Regional Vice President Europe and Central Asia

April 18, 2013
Dated at Washington, D.C.