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 (Second National Urban Water Sector Reform Project) to the Federal Republic of Nigeria.

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 Federal Republic of Nigeria (the Recipient) an additional Credit (the Financing) in an amount in various currencies equivalent to SDR 77,500,000. The objectives of the Project are to: (i) improve the reliability of water supply produced in the Participating States; (ii) increase access to piped water networks in Lagos State and in seven cities in Cross River State; and (iii) improve the commercial viability of urban water utilities in the Participating States.

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

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

COMMITTEE:

[Signature]

 Acting Senior Vice President and Group General Counsel

[Signature]

Nominee selected by Governor for the Federal Republic of Nigeria

[Signature]

Regional Vice President Africa

Dated at Washington, DC

6/7/2012

M.H.