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 Grant (Energy Sector Development Project) to the Federated States of Micronesia.

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 Federated States of Micronesia a Grant in an amount equivalent to SDR 9,400,000. The purpose of the said Grant are to increase the available generation capacity and efficiency of electricity supply in the State Power Utilities; and to strengthen the planning and technical capacities of the Recipient and the State Power Utilities in the energy sector.

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

2. The Committee is of the opinion that the project toward the financing of which the proceeds of such 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 Federated States of Micronesia and is of high developmental priority in the light of the needs of the Federated States of Micronesia.
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
Federated States of Micronesia

[Signature]

Regional Vice President
East Asia and Pacific

Dated at Washington, D.C.

5-21-2014