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Ln 8 420-MK

STATUTORY COMMITTEE REPORT

TO: The President, International Bank for Reconstruction and Development

Report of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposed Loan (National and Regional Roads Rehabilitation Project) to Public Enterprise for State Roads to be guaranteed by the former Yugoslav Republic of Macedonia

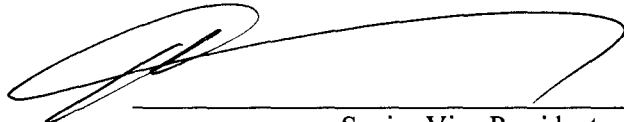
The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of the International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant to: Public Enterprise for State Roads a loan in an amount of fifty-two million Euro (€52,000,000) to be guaranteed by the former Yugoslav Republic of Macedonia. The purposes of said loan are: (i) to enhance the connectivity of selected national and regional roads, primarily to Corridors X and VIII; and (ii) to improve the Borrower's capacity for road safety and climate resilience.

1. The Committee has carefully studied the merits of the proposal to grant such IBRD loan, and of the purposes to which the proceeds of the loan are to be applied.
2. The Committee is of the opinion that the Project toward the financing of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said Project is designed to promote the development of the productive facilities and resources of the former Yugoslav Republic of Macedonia and is in the interest of the former Yugoslav Republic of Macedonia and of the members of the Bank as a whole.

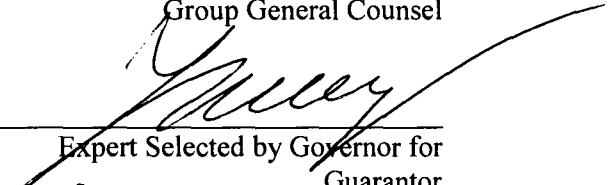
(National and Regional Roads Rehabilitation Project)

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


COMMITTEE




Senior Vice President and
Group General Counsel

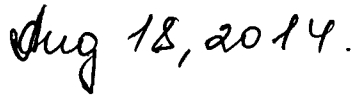


Expert Selected by Governor for
Guarantor



Regional Vice President
Europe and Central Asia


Dated at Washington, D.C.


Aug 18, 2014.