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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 (Montenegro Industrial Waste Management and Cleanup Project) to Montenegro

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 Montenegro (the Borrower) a loan in an amount of fifty million Euro (EUR 50,000,000). The purpose of said loan is to reduce contamination of the Borrower's natural resources and public health risks of exposure to this contamination from selected industrial waste disposal sites.

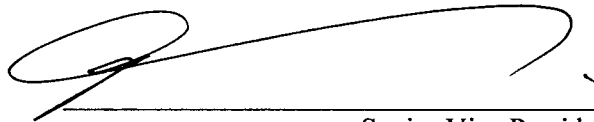
1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.
2. The Committee is of the opinion that the project toward the financing of which the proceeds of such loan are to be applied comes within the 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 Borrower and is in the interest of the Borrower and of the members of the Bank as a whole.

MONTENEGRO

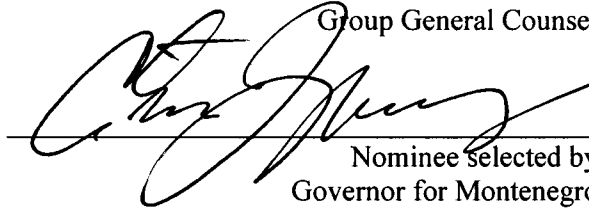
(Montenegro Industrial Waste
Management and Cleanup Project)

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



Nominee selected by
Governor for Montenegro



Regional Vice President
Europe and Central Asia



Dated at Washington, D.C.

July 18, 2014