

**OFFICIAL
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LN 8435-BA

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 (Business Environment Development Policy Loan) to Bosnia and Herzegovina

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 Bosnia and Herzegovina (the Borrower) a loan in an amount of thirty-seven million four hundred thousand Euros (€37,400,000). The purpose of said loan is to improve Bosnia and Herzegovina's business environment through facilitating business start-up, streamlining investment procedures in inspections and construction, and simplifying processes of cross-border trading.

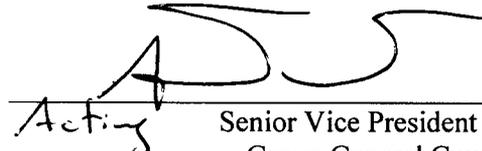
1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.
2. The Committee is of the opinion that the program in support of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said program is designed to promote the development of the productive facilities and resources of Bosnia and Herzegovina and is in the interest of Bosnia and Herzegovina and of the members of the Bank as a whole.

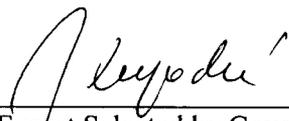
BOSNIA AND HERZEGOVINA

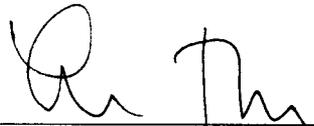
(Business Environment
Development Policy Loan)

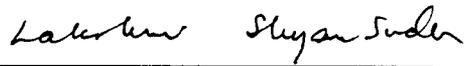
3. Accordingly, the Committee finds that said program merits financial assistance from the Bank, and hereby recommends said program for such assistance.

COMMITTEE


Acting Senior Vice President and
Group General Counsel


Expert Selected by Governor for
Bosnia and Herzegovina


Regional Vice President
Europe and Central Asia


Vice President
World Bank Group Chief Risk Officer


for Senior Vice President, Development
Economics and Chief Economist

Dated at Washington, D.C.

 09.09.2014