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 (South Karakalpakstan Water Resources Management Improvement Project) to the Republic of Uzbekistan

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 the Republic of Uzbekistan (the Borrower) a loan in an amount of eighteen million two hundred ninety thousand United States Dollars ($18,290,000). The purpose of said loan is to restore irrigation and improve water management in the Project Area in a sustainable and financially efficient manner. The Project is also supported by an IDA Credit in an amount equivalent to one hundred fifty-six million nine hundred thousand Special Drawing Rights (SDR 156,900,000).

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

COMMITTEE

[Signatures]

Senior Vice President and Group General Counsel

[Signature]

Expert Selected by Governor for Republic of Uzbekistan

[Signature]

Regional Vice President Europe and Central Asia Region

June 4, 2014

Dated at Washington, D.C.