TO: The President, International Bank for Reconstruction and Development

Report of Committee under Section 4 (iii) of Article III of the Articles of Agreement on the Proposed Loan (Second Serbia Health Project) to the Republic of Serbia.

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of 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 Serbia (the Borrower) a loan in an amount of EUR 29,100,000. The purpose of said loan is to contribute to improving the efficiency and quality of the public health system of the Republic of Serbia through the strengthening of: (i) health financing, purchasing, and maintenance systems; and (ii) quality improvement systems and management of selected priority non-communicable diseases.

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 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 Project is designed to promote the development of the productive facilities and resources of the Republic of Serbia and is in the interest of the Republic of Serbia and of the members of the Bank as a whole.
Republic of Serbia

(Second Serbia Health 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 the Republic of Serbia

FOR Regional Vice President Europe and Central Asia

Dated at Washington, D.C.

02/05/14 IS