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 (Skills Development and Innovation Support Project) to Former Yugoslav Republic of Macedonia

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 Former Yugoslav Republic of Macedonia a loan in the amount of seventeen million seven hundred thousand Euros (€17,700,000). The purpose of said loan is to improve transparency of resource allocation and promote accountability in higher education, enhance the relevance of secondary technical vocation education, and support the Borrower's innovation capacity.

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 Former Yugoslav Republic of Macedonia and is in the interest of Former Yugoslav Republic of Macedonia 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

Expert Selected by Governor for the Borrower

Regional Vice President Europe and Central Asia

December 30, 2013
Dated at Washington, D.C.