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 (Agricultural Competitiveness Improvement Project) to the Republic of Azerbaijan

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 Azerbaijan (the Borrower) a loan in the amount of thirty four million and five hundred thousand United States Dollars (US$34,500,000), The purpose of the said loan is to facilitate the access of agricultural producers to markets by strengthening sanitary and phytosanitary services, enhancing selected value chains and providing financial services to agribusiness enterprises.

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 Azerbaijan

[Signature]

Regional Vice President Europe and Central Asia

Dated at Washington, D.C.

September 19, 2013