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 (Floods Emergency Recovery 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 227,480,000. The purposes of said loan are to: (i) help restore power system capability to reliably meet domestic demand; (ii) protect livelihoods of farmers in the Flood Affected Areas; (iii) protect people and assets from floods; and (iv) improve the Borrower's capacity to respond effectively to disasters.

1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purposes 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

(Floods Emergency Recovery Project)

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

COMMITTEE

[Signatures of Committee Members]

[Signatures of Committee Members]

[Signatures of Committee Members]

Dated at Washington, D.C.

[Signature]

September 29, 2014