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 (Tertiary Education Finance for Results Project III) to the Republic of Chile.

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 Chile (the Borrower) a loan in an amount of $40,000,000. The purpose of said loan is to improve quality and relevance for students in tertiary education by strengthening the link between funding of tertiary education institutions and accountability for performance.

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 Chile and is in the interest of the Republic of Chile and of the members of the Bank as a whole.
Republic of Chile

(Tertiary Education Finance for
Results Project III)

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

COMMITTEE

[Signature]
Senior Vice President and Group General Counsel

[Signature]
Expert Selected by Governor for the Republic of Chile

[Signature]
Regional Vice President
Latin America and the Caribbean

Dated at Washington, D.C.

February 16, 2012