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 Additional Loan (Additional Financing for the Acre Social and Economic Inclusion and Sustainable Development Project) to the State of Acre to be guaranteed by the Federative Republic of Brazil.

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 State of Acre (the Borrower) an additional loan in an amount of $150,000,000, which additional loan is to be guaranteed by the Federative Republic of Brazil. The purpose of said loan is to provide additional funds to supplement the financial assistance furnished by the Bank under Loan Agreement (Acre Social and Economic Inclusion and Sustainable Development Project), dated December 19, 2008, between the Bank and the State of Acre, guaranteed by the Federative Republic of Brazil pursuant to a Guarantee Agreement of even date therewith between the Federative Republic of Brazil and the Bank.

1. The Committee has carefully studied the merits of the proposal to grant such an additional 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 additional loan are to be applied continues to come 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 Federative Republic of Brazil and is in the interest of the Federative Republic of Brazil and of the members of the Bank as a whole.
Federative Republic of Brazil (Additional Financing for the Acre Social and Economic Inclusion and Sustainable Development Project)

3. Accordingly, the Committee finds that said project continues to merit financial assistance from the Bank, and hereby recommends said project for such additional assistance.

COMMITTEE

Senior Vice President and Group General Counsel

Expert Selected by Governor for (Federative Republic of Brazil)

Representative
Latin America and the Caribbean

Dated at Washington, D. C.

September 11, 2014