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 (Espírito Santo Integrated Sustainable Water Management Project – Programa de Gestão Integrada das Águas e da Paisagem do Espírito Santo) to the State of Espírito Santo 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 Espírito Santo a loan in an amount of $225,000,000 (two hundred twenty five million dollars) which loan is to be guaranteed by the Federative Republic of Brazil. The purposes of said loan are to improve sustainable water resources management and increase access to sanitation in the Borrower’s territory.

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 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 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.
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

[Signatures]

Expert Selected by Governor for Federative Republic of Brazil

[Signatures]

Regional Vice President Latin America and the Caribbean

Dated at Washington, D. C.

March 5, 2014