

**Republic of Brazil: State of Rio de Janeiro  
Fiscal Efficiency for Quality of Public Service Delivery  
Development Policy Loan**

**SUMMARY OF DISCUSSION\***

**Meeting of the Executive Directors**

**August 30, 2012**

Executive Directors approved a Fiscal Efficiency for Quality of Public Service Delivery Development Policy Loan to the State of Rio de Janeiro, Brazil in the amount of US\$300 million, on the payment terms and conditions set out in the President's Memorandum (R2012-0166).

Directors expressed support for the operation, which would improve fiscal management, social service delivery in health and education, and public financial management. Directors commended the government for sound macroeconomic management, a prudent fiscal policy stance, and a solid financial system. Directors stressed the importance of ensuring that the benefits of the operation reach the poorest regions of the State, and underscored the importance of gender in the operation. They noted the assessment of fiscal risks and urged maintaining close dialogue with the authorities on the fiscal outturn. Directors also encouraged the dissemination of the reforms supported in Rio de Janeiro to other client governments, within and outside Brazil. Finally, Directors urged strong coordination with state agencies and donors.

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\*This summary is not an approved record.