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February 7, 1992

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Sr. Antonio Claudio Sochaczewski
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Re: Loan No. 2831-BR
(Second Industrial Pollution Control Project)
Amendments to Loan and Project Agreements

Dear Sirs:

Please refer to the Loan Agreement (Second Industrial Polluton Control Project) dated July 27, 1987 between the Federative Republic of Brazil (the Borrower), and Banco Nacional de Desenvolvimento Economico e Social (the Borrower's financial agent) and the International Bank for Reconstruction and Development (the Bank), and the Project Agreement of the same date between the Bank and the State of Sao Paulo (the State) and Banco de Desenvolvimento do Estado de Sao Paulo S.A. (the State's financial intermediary) and Companhia de Tecnologia de Saneamento Ambiental (CETESB).

To formalize the substitution of Banco do Estado de Sao Paulo S.A. (hereinafter referred to as BANESPA) for BADESP in the Loan and Project Agreements for the referenced Loan, and to reflecct some other minor changes to these agreements, we are

enclosing for your signature a copy of an Agreement which amends the Loan and Project Agreements.

If you concur with this Agreement, please so indicate by signing a copy of the Agreement, and returning it to us.

Because of their interest in this matter, I am sending a copy of this letter to the Director of DEAIN and to the Procurador Geral da Fazenda.

Sincerely yours,

Armeane M. Choksi
Director
Country Department I
Latin America and the Caribbean

Enclosures