

March 12, 2012

Ministério da Fazenda
Procuradoria Geral da Fazenda Nacional
Esplanada dos Ministérios, Bloco "P"- 8º andar
70048-900 Brasília, DF
Brazil

Re: IBRD Loan 7841-BR (Brazil –Second Bolsa Familia Project)
Additional Instructions: Revised Disbursement Letter

Excellency:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the "Bank") and the Federative Republic of Brazil (the "Borrower") for the above-referenced project, dated September 21, 2011. The Loan Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7841-BR ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions and replaces the previous version dated September 21, 2011.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

- Reimbursement (for Part A of the Project)
- Reimbursement and/or Advances (for Parts B, C, D, E and F of the Project)

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions in Schedule 2, Section IV B of the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in Form attached (Attachment 2-A for Part A of the Project) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications for withdrawal related to Part A of the Project:

Banco Mundial
Sector Comercial Norte
Quadra 02, Lote A
Edificio Corporate Finance Center
7º andar
70712-900 Brasilia, D.F.
Brazil
Attention: Mr. Makhtar Diop, Brazil-Country Management Unit
Latin America and the Caribbean Region

Applications related to Parts B, C,D, E and F for this Loan will be signed by the official(s) authorized to sign Applications as indicated in the letter dated January 16, 2012 (Attachment 2-B) signed by Mrs. Teresa Campello, Minister of Social Development.

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed Applications for withdrawal, together with supporting documents, to the address indicated below:

Banco Mundial
Sector Comercial Norte
Quadra 02, Lote A
Edificio Corporate Finance Center
7º andar
70712-900 Brasilia, D.F.
Brazil
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The Bank may permit the Borrower to electronically deliver to the Bank, Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices ("Tokens") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The

Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursement for Part A of the Project is United States Dollars (US\$) 1,000,000 equivalent and the Minimum Value of Applications for Reimbursement for Parts B, C, D, E and F of the Project is US\$ 400,000 equivalent.

(vi) Advances (sections 5 and 6) for Parts B, C, D, E and F of the Project.

- **Type of Designated Account (subsection 5.3):** Pooled
- **Currency of Designated Account (subsection 5.4):** United States Dollar
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco do Brasil
- **Ceiling (subsection 6.1):** USD 3,000,000

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application for withdrawal as set out below:

- **For requests for Reimbursement for Part A of the Project:**
 - Customized Statement of Expenditures in the form attached (Attachment 4).
- **For requests for Reimbursement for Parts B, C, D, E and F of the Project:**
 - Summary of Expenditures in the form attached (Attachment 5) with Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made:
 - under contracts for Goods costing US\$ 350,000 equivalent per contract or more;
 - under contracts with Consulting Firms costing US\$ 200,000 equivalent per contract or more;
 - under contracts with Individual Consultants costing US\$ 50,000 equivalent per contract or more; and

- Statement of Expenditure in the form attached (Attachment 6) for payments that do not exceed the thresholds established above.
- ***For reporting eligible expenditures paid from the Designated Account for Parts B, C, D, E and F of the Project:***
 - Summary of Expenditures in the form attached (Attachment 5) with Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made:
 - under contracts for Goods costing US\$ 350,000 equivalent per contract or more;
 - under contracts with Consulting Firms costing US\$ 200,000 equivalent per contract or more;
 - under contracts with Individual Consultants costing US\$ 50,000 equivalent per contract or more; and
 - Statement of Expenditure in the form attached (Attachment 6) for payments that do not exceed the thresholds established above.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3). Every six months

IV. Other Disbursement Instructions

Reimbursements for Part A of the Project will be submitted every 6 months during the first two years of Project implementation.


V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact us at loalcr@worldbank.org, using the above Project Name and Loan number as a reference in the subject line.

Yours sincerely,


Miguel-Santiago Oliveira
Senior Finance Officer, Loan Department (CTRLN)

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006- **Not included as there is no change from previous Disbursement Letter**
2. A- Form for Authorized Signatures for Part A of the Project- **Not included as there is no change from previous Disbursement Letter**
B-Authorized Signatory Letter for Parts B, C, D, E and F of the Project
3. *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated January 20, 2010- **Not included as there is no change from previous Disbursement Letter**
4. Customized Statement of Expenditures for Part A of the Project- **Not included as there is no change from previous Disbursement Letter**
5. Summary of Expenditures- **Not included as there is no change from previous Disbursement Letter**
6. Statement of Expenditures- **Not included as there is no change from previous Disbursement Letter**

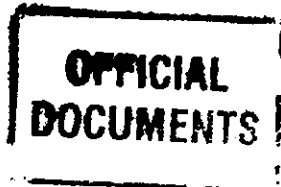
Prepared by: Miguel-Santiago Oliveira, CTRLN-Version 2

Cleared with and cc: Catarina Portelo, LEGLA
Maria Concepcion Steta Gandara, LCSHS

Cc with copies: Ministério do Desenvolvimento Social e Combate a Fome
Secretaria Executiva
Esplanada dos Ministérios
Bloco "C", 6º andar
70054-900 Brasília, D.F.
Brazil

SEAIN-Secretaria de Assuntos Internacionais
Ministério do Planejamento, Orçamento e Gestão
Esplanada dos Ministérios
Bloco "K" - 5º andar
70040-906, Brasília, D.F.
Brazil

Secretaria do Tesouro Nacional-STN
Esplanada dos Ministérios,
Bloco "P", 2º andar
70048-900 Brasília, D.F.
Brazil



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MINISTÉRIO DO DESENVOLVIMENTO SOCIAL E COMBATE A FOME

Gabinete da Ministra

Esplanada dos Ministérios, Bloco C, 5º andar - CEP 70046-900 - Brasília, Distrito Federal
Tel.: (61) 3433-1001/1002 - Fax: (61) 3433-1479

Ofício n° 12 /GM/MDS

Brasília, 16 de janeiro de 2012.

A Sua Senhoria o Senhor
MAKHTAR DIOP
Diretor no Brasil
Banco Mundial
Setor Comercial Norte, Quadra 02, Lote A,
Edifício Corporate Financial Center, 7º Andar
CEP 70712-900 - Brasília, Distrito Federal



Ministério do Desenvolvimento Social
e Combate à Fome

GM/CHEFIA/ATA



71000.015088/2012-54

Assunto: Acordo de Empréstimo N.º 7841-BR – Credenciamento de assinaturas.

Senhor Diretor,

Refiro-me ao Acordo de Empréstimo N.º 7841-BR entre a República Federativa do Brasil e o Banco Internacional para Reconstrução e Desenvolvimento – BIRD, assinado em 21 de setembro de 2011, para a implementação do “Projeto de Consolidação do Programa Bolsa Família e Apoio ao Compromisso Nacional pelo Desenvolvimento Social”.

2. Apresento a Vossa Senhoria as assinaturas dos dois servidores deste Ministério que estão autorizados a emitir, conjuntamente, os pedidos de saque de recursos para as Partes B, C, D, E e F do Projeto, e respectivos substitutos.

TITULARES:

MARCELO CARDONA ROCHA
Secretário-Executivo Adjunto
Matrícula SIAPE n.º 1370083

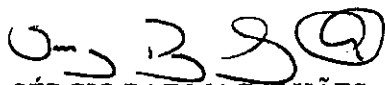
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IARA CRISTINA DA SILVA ALVES
Diretora de Projetos Internacionais da Secretaria-Executiva
Matrícula SIAPE n.º 2544074

SUBSTITUTOS:



ISRAEL LUIZ STAL
Matrícula SIAPE n.º 0221853



SÉRGIO PAZ MAGALHÃES
Matrícula SIAPE n.º 1310855

Atenciosamente,



TEREZA CAMPELLO
Ministra de Estado do Desenvolvimento Social e Combate à Fome