

BANCO NACIONAL DE
DESENVOLVIMENTO ECONÔMICO E
SOCIAL - BNDES

Independent auditors' limited
assurance report

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

To
The Management of
Banco Nacional de Desenvolvimento Econômico e Social - BNDES
Rio de Janeiro - RJ

1. Introduction

We were engaged for the purpose of applying limited assurance procedures intended to check the compliance of projects supported by Amazon Fund in 2011 with standards and guidelines applicable to them.

Our responsibility is to issue a limited assurance report on the compliance of the projects supported by Amazon Fund.

2. Procedures applied

The applied limited assurance procedures were conducted according to Brazilian Accounting Standard NBC TO 3000 - Assurance Engagement Different from Audit and Review, issued by the Federal Association of Accountants (CFC) and approved by CFC Resolution 1.160/2009, and to ISAE 3000 - International Standard on Assurance Engagements, issued by the International Auditing and Assurance Standards Board (IAASB), both addressing assurance engagements different from audit and review of financial information.

The limited assurance procedures consisted of:

- a) Planning of the work, considering the relevance, coherence, and volume of quantitative and qualitative information;
- b) Understanding the methodology of analysis of the projects by means of interviews with the managers responsible for the information;
- c) Examining analysis reports, management decisions and contracts, checking their compliance with Decree No. 6.527, of August 1, 2008, which addresses the creation of the Amazon Fund by the Brazilian Development Bank (BNDES), particularly the compliance with the provisions of Article 1, and with the standards and guidelines issued by the Amazon Fund Guidance Committee (COFA);

- d) Evaluation of the purpose of the projects analyzed by the technical teams of BNDES, approved by its management, engaged or to be engaged, to verify their compliance with the strategic guidelines included in the Sustainable Amazon Plan (PAS) and with the tactical and operational guidelines of the Action Plan for Prevention and Control of the Legal Amazon Deforestation (PPCDAM); and
- e) Crosschecking the quantitative and qualitative information of the analysis reports and their conclusions against management decisions and the contracts entered into between BNDES and the executors of the projects.

3. Scope and limitations

The purpose of our work was the application of limited assurance procedures on the compliance with the standards and guidelines issued by COFA, with the provisions of Decree No. 6.527/2008, with the strategic guidelines included in PAS, and with the tactical and operational guidelines of PPCDAM, not including an evaluation of the compliance by the beneficiaries of the projects with the obligations agreed with BNDES.

The procedures followed and pertinent analyses made were restricted to the documents made available by BNDES, and their authenticity was not subject to validation.

The procedures applied do not represent an exam of financial statements according to Brazilian and international audit standards.

Our report does not provide limited assurance on future information (such as: targets, expectations, and ambitions) and descriptive information involving subjective evaluation.

Additionally, it was not part of our work scope the examination of documents performed by experts and the adoption of procedures to identify frauds.

4. Approved and engaged projects

During the performance of the limited assurance work, we analyzed operations of non-reimbursable financial support approved and/or engaged during 2011, comprising the following organizations and their current status:

a) Projects approved in 2010 and engaged in 2011:

Operation No. 2350729	Fundação Muraki/Universidade do Estado do Amazonas (UEA - Amazonas State University)
Operation No. 2419791	Instituto Floresta Tropical (IFT)
Operation No. 2357958	Municipality of Alta Floresta/MT
Operation No. 2449510	Municipality of Marcelândia/MT
Operation No. 2235487	Museu da Amazônia (Musa)

b) Projects approved and engaged in 2011:

Operation No. 2603101	Federação de Órgãos para Assistência Social e Educacional (Fase)
Operation No. 2229703	Fundo Brasileiro para a Biodiversidade (Funbio)
Operation No. 2833684	Municipality of Carlinda/MT
Operation No. 2314586	Municipality of Porto dos Gaúchos/MT
Operation No. 2445146	Universidade Federal do Pará (UFPA - Pará Federal University) / Fundação de Amparo e Desenvolvimento da Pesquisa (FADESP)

c) Projects approved in 2011 and engaged/to be engaged in 2012:

Operation No. 3250735	State of Mato Grosso
Operation No. 2195002	Instituto de Pesquisa Ambiental da Amazônia (Ipam)
Operation No. 2350725	Municipality of Anapú/PA
Operation No. 2477029	Municipality of Cumaru do Norte/PA
Operation No. 2822027	Municipality of Jacundá/PA

5. Environmental aspects of the analyzed projects related to Amazon Fund

By the end of present work, we were provided with elements that contributed to a better understanding of the matter, both in regard to its current stage and future prospects, in order to assist the decision-making process. During our analysis, we became aware of the actual need to increase knowledge related to the vulnerability of the biomes under discussion, and to the impacts and strategies of adaptation. There is a great opportunity to promote environmental, social, and economic development and forest conservation in the areas covered by the Fund, with an actual prospect of containment of deforestation in Legal Amazon, and to enable alternatives for protection and sustainable use of the forest, based on the mechanisms and processes included in PPCDAM, PAS, and legal provisions of Decree No. 6.527/2008 and Law No. 12.187/2009.

The analysis of the proposed projects and of the procedures and criteria used in the release of funds from Amazon Fund has made apparent the axes that guide the scope of these projects and the release of the funds: Land Use; Environmental Control and Monitoring; Promotion of sustainable production activities; Technological and Scientific Development; Modernization and Development of agencies acting in the Amazon biome.

6. Conclusions

- a) We crosschecked the analysis reports of the projects listed in item 4, sub-items b and c (projects approved and engaged in 2011 and projects approved in 2011 and engaged/to be engaged in 2012) against the guidelines and criteria issued by COFA, and the provisions set forth in Decree No. 6.527/2008, in PAS, and in PPCDAM.

We did not find any non-conformances.

We found that the purpose of the projects, object of the analysis reports issued by BNDES' technical teams, was maintained upon the approval of BNDES' management.

- b) We found that the purpose established in BNDES' management decisions, that approved the financial support to the projects listed in item 4, sub-item b (projects approved and engaged in 2011) was maintained in contracts.

We did not find any non-conformances.

- c) We found that the purpose established in BNDES' management decisions taken in 2010, which approved the financial support to the projects listed in item 4, sub-item a (projects approved in 2010 and engaged in 2011) was maintained in contracts.

We did not find non-conformances or amendments that may have affected the compliance of the projects with Decree No. 6.527/2008, and with the guidelines of COFA, PAS and PPCDAM.

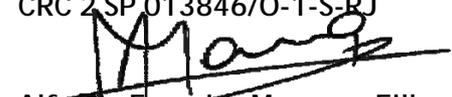


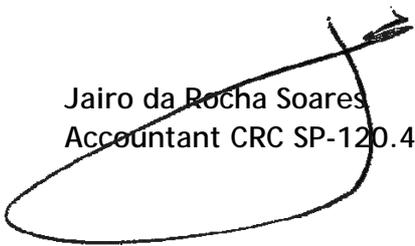
These operations were subject to assurance procedures with respect to analysis reports and management decisions applied by Uhy Moreira - Auditores, whose report thereon, dated July 14, 2011, has shown no non-conformances with Decree No. 6.527/2008, and with the guidelines of COFA, PAS and PPCDAM.

Rio de Janeiro, June 12, 2012.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1-S-RJ


Alfredo Ferreira Marques Filho
Accountant CRC 1 SP 159954/O-3-S-RJ


Jairo da Rocha Soares
Accountant CRC SP-120.458/O-6-S-RJ