

**BANCO NACIONAL DE DESENVOLVIMENTO  
ECONÔMICO E SOCIAL (BNDES)**

**Independent auditors' limited assurance  
report**

# **NATIONAL BANK FOR ECONOMIC AND SOCIAL DEVELOPMENT (BNDES)**

## **Independent auditors' limited assurance report**

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## INDEPENDENT AUDITORS' REPORT

To the  
Management of  
**National Bank For Economic And Social Development (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 2016 with standards and guidelines applicable to them.

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

### 2. Procedures applied

The limited assurance procedures were followed according to the 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 the ISAE 3000 - International Standard on Assurance Engagements, issued by International Auditing and Assurance Standards Board (IAASB), both for assurance engagements different from audit or review of historic financial information.

The limited assurance procedures comprise:

- 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, BNDES' 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 compliance (products and services), expected results and objectives of the projects analyzed by the technical teams of BNDES, approved by its management, engaged or to be engaged, to verify their compliance, when applicable, 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);
- 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 by BNDES with the provisions of Decree No. 6.527/2008 in regard to supportable actions, with the guidelines and criteria issued by COFA and, when applicable, 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 targets met, results and expectations, and on information involving subjective evaluation.

Additionally, procedures to identify frauds and the expert exam of documents were not performed.

### **4. Projects supported**

During the performance of the limited assurance work, we analyzed the approvals and contracts of non-reimbursable financial support to projects during 2016, comprising the following executors and their current status:

**a) Projects approved in 2015 and contracted in 2016:**

Operation	Project
Operation # 2235487 (*)	Musa
Operation # 5429845 (*)	Car RR
Operation # 5452280 (*)	Embrapa
Operation # 5667927 (*)	Iepe PNGATI
Operation # 5667931 (*)	Kaninde PNGATI
Operation # 5667957 (*)	Opan PNGATI

**b) Projects approved and contracted in 2016:**

Operation	Project
Operation # 5452380 (*)	Car CE
Operation # 5656683 (*)	Fundação Amazonas Sustentável (FAS)
Operation # 5667960 (*)	Isa PNGATI
Operation # 5838880 (*)	Profisc1
Operation # 5799715 (*)	Ieb PNGATI

**c) Projects approved in 2016 and to be contracted/contracted in 2017:**

Operation	Project
Operation # 5514535 (*)	Car PR
Operation # 5667923 (*)	Cti PNGATI
Operation # 5774032 (*)	Vale Sustentável

(\*) BNDES internal numbering

**5. Environmental aspects of the analyzed projects related to the 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. 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 the Amazon Fund has made apparent the axes that guide the scope of these projects and the release of the funds: Land use; control and monitoring; promotion of sustainable production activities; technological and scientific development.

## 6. Conclusions

- a) We crosschecked the clauses of the contracts for financial support to the projects listed in item 4, sub-item “a” (projects approved in 2015 and contracted in 2016) against the wording of BNDES’ management decisions, which approved the financial support.

We found that the purpose established in BNDES’ management decisions, that approved the financial support to the projects was maintained in the contracts. We also found that the contracts did not include any amendments that could affect the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA and, when applicable, of PAS, and PPCDAM.

The analysis reports and management decisions referring to these projects were the object of our assurance analysis, for the year 2015. The audit report issued on April 11, 2016 concluded on the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA and, when applicable, of PAS, and PPCDAM.

- b) We have crosschecked the information included in the analysis reports of the projects listed in item 4, sub-items “b” and “c” (projects approved and contracted in 2016 and projects approved in 2016 to be contracted/contracted in 2017) against the requirements of Decree nº 6.527/2008, the criteria and guidelines established by COFA and, when applicable, with the strategic orientations of PAS and with the tactic-operational guidelines of PPCDAM.

We did not find any non-conformances.

- c) We crosschecked the wording of BNDES’ management decisions which approved the financial support to the projects listed in item 4, sub-items “b” and “c” (projects approved and contracted in 2016, and projects approved in 2016 and to be contracted/contracted in 2017) against the information included in the analysis reports.

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. We also found that the management decisions did not include any amendments that could affect the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA and, when applicable, of PAS, and PPCDAM.

- d) We crosschecked the clauses of the contracts for financial support to the projects listed in item 4, sub-item “b” (projects approved and contracted in 2016) against the wording of BNDES’ management decisions.



We found that the purpose established in BNDES' management decisions, that approved the financial support to the projects was maintained in the contracts. We also found that the contracts did not include any amendments that could affect the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA and, when applicable, of PAS, and PPCDAM.

Rio de Janeiro, January 24, 2017.



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