

**AGREED MINUTES OF NEGOTIATION  
BETWEEN THE REPUBLICA ORIENTAL DEL URUGUAY  
AND  
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
FOR THE PROPOSED INTEGRATED NATURAL RESOURCES AND BIODIVERSITY  
MANAGEMENT PROJECT**

1. Negotiations for a proposed Loan of US\$30.0 million and a GEF Trust Fund Grant of US\$7.0 million for the proposed Uruguay Integrated Natural Resources and Biodiversity Management Project (the Project) were held in Buenos Aires, Argentina, with a videoconference link with Washington DC, on April 21 and 22, 2005, between a delegation of the República Oriental del Uruguay (the Borrower), and the International Bank for Reconstruction and Development (the Bank). The Borrower's delegation was integrated by the representatives listed in Annex 1 to these minutes.

2. The Bank's team included: Michael Carroll, Task Team Leader (LC SER), Dinesh Aryal, Operations Analyst, Greicy Amjadi, Information Assistant (LC SEN); Mauricio Cifuentes, Team Assistant (LC SER); Pilar Gonzalez, Counsel (LEGLA); Morag Van Praag, Senior Finance Officer (LOAG3); Miguel Navarro-Martin, Senior Financial Officer (BCFBD); Enzo de Laurentiis, Sr. Procurement Specialist (LCOPR); and Antonio Blasco, Financial Management Analyst (LOAAS); Luiz Noronha, Alberto Yanosky (Consultants).

3. The draft Loan and Grant Agreements (LA and GA respectively) dated April 19<sup>th</sup>, 2005, were discussed and reviewed. A revised version of said documents dated April 22<sup>nd</sup>, 2005 is hereby attached as Annexes 2 and 3 to these minutes, respectively.

4. **Implementation Letter:** It was agreed that a set of 5 or 6 indicators would be selected from the list of indicators (included in PAD) to be used for Monitoring and Evaluation of the Project, which would be included as part of the Implementation Letter to be signed by the borrower at the time of Loan and Grant Signature.

5. **Loan characteristics** (a) The financial term of the Loan were discussed and the following agreements were reached:

<b>IBRD financial product:</b>	Fixed-Spread Loan (FSL) with principal repayments linked to disbursements (level)
<b>Currency:</b>	United States Dollars
<b>Interest rate:</b>	Variable rate, consisting of 6 months LIBOR, and a spread that will be fixed at the time of signing.
<b>Repayment Terms:</b>	Payable in 15 years, including 5 years grace period with disbursement-linked repayment schedule and level principal repayment on each April 15 and October 15 respectively.

*Ag*  
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(b) The Borrower's choice of the FSL is based on the fact that the FSL allows the Borrower to manage adequately loan repayment conditions, currency exchange risk and variations of the interest rate. The FSL allows the Borrower to calculate the financial cost of the Loan more accurately than the Variable Spread Loan does. The Borrower's choice of loan financial terms is summarized in the worksheet attached to these minutes (Annex 4).

(c) The Borrower, by signing these minutes, confirms the Loan choices selected by the Borrower and spelled out in the worksheet of Loan financial terms attached as Annex 4.

6. **Effectiveness conditions.** It was explained to the Borrower that the GEF Grant and the IBRD Loan will become effective at the same time. It was agreed that the formal adoption of the Operational Manual by the Ministry of Livestock, Agriculture and Fisheries is a condition for effectiveness and that the Bank would receive an official letter from the Minister informing of its adoption.

7. **Operational Manual.** An updated Procurement Plan will be incorporated into the Operational Manual.

8. **Financial covenants and Project Audits.** It was agreed that the Tribunal de Cuentas (the Borrower's Audit Supreme Institution) will carry out the Project audits as provided in Section 4.01 (b) of the LA as long as the Tribunal de Cuentas meets the criteria of independence, quality, capacity and timeliness in the opinion of the Bank. It was also agreed that the Financial Monitoring Reports (FMR) would be furnished every semester together with complementary progress reports under Section 3.06 of the LA and GA.

9. **Procurement.** During negotiations: (i) an acceptable Procurement Plan dated April 21, 2005 for the first 18 months of Project implementation was presented to the Bank and is attached as Annex 5; and (ii) it was agreed that the Procurement Plan will be updated in agreement with the Bank and incorporated into the Operational Manual, before effectiveness.

10. **Disbursements.** The Financial Management Staff of the Bank explained to the Borrower the new disbursement method using reports which include the Financial Monitoring Reports (FMR). The Borrower chose to use transaction-based disbursements, but a Report-based disbursements option has been kept in the Legal Documents as a choice for future use, if there is a need. However, the report-based disbursement may only be used by the Borrower upon written notification by the Bank.

11. **Front-End-Fee (FEF).** The Bank explained that if the proposed Loan is presented to the Board before July 1, 2005, the applicable FEF will be 0.5%. If the Loan is presented to the Board on or after July 1, 2005, the FEF will revert back to an amount equal to 1% of the Loan Amount unless a subsequent waiver has been approved by the Board.

12. **Disclosure of the PAD.** The Borrower confirmed agreement with the Bank's draft PAD dated April 19<sup>th</sup>, 2005, with the changes agreed during technical discussions and negotiations and found it acceptable for release to the public, in accordance with Bank policies and procedures. A

Handwritten signature and initials in the right margin.

revised version of the PAD including the changes agreed during negotiations should be sent to the Borrower.

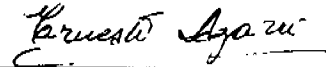
13. **Board date for the Project.** The Bank team informed the Borrower delegation that the Project is currently expected to be presented to the Bank's Board of Directors on June 7th, 2005.

14. **Acceptance of Project Documents.** The Borrower, by signing these minutes, confirms its acceptance of the negotiated LA, GA and Minutes of Negotiations. Prior to distribution of the Board package to SECBO (scheduled for May 11<sup>th</sup>, 2005) the Bank would need to receive: (a) a letter from the Minister of Economy and Finance ratifying the agreed draft LA and GA and these Minutes of Negotiations; and (b) a letter from the Minister of Economy and Finance (Governor for Uruguay to the Bank) designating the expert for Uruguay to sign the Statutory Committee Report pursuant to Section 4 (iii) of Article III of the Bank's Articles of Agreement (a sample letter is attached herewith as Annex 6). It was explained to the Borrower's delegation that the designation of the expert for Statutory Committee purposes could be made general for all projects with the Bank.

**Buenos Aires, Argentina, April 22<sup>nd</sup>, 2005**



Michael Carroll  
Task Team Leader, LC SER



Ernesto Agazzi  
Sub-Secretary  
Ministry of Livestock,  
Agriculture and Fisheries

Annex 1 – List of Participants

Annex 2 – Draft Loan Agreement, Dated April 22<sup>nd</sup>, 2005

Annex 3 – Draft Grant Agreement, Dated April 22<sup>nd</sup>, 2005

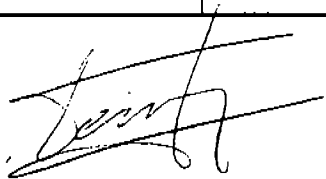
Annex 4 – Loan Worksheet (signed)

Annex 5 – Procurement Plan, Dated April 21st, 2005 (signed)

Annex 6 - Sample Letter of indication of representative to sign Statutory Committee Report

**Términos de los Prestamos del BIRF**  
**Hoja de Trabajo para la Selección de los Términos Iniciales de un Préstamo**

Pais	<u>REPUBLICA ORIENTAL DEL URUGUAY</u>
Proyecto	
Prestatario	<u>MINISTERIO DE GANADERIA, AGRICULTURA Y PESCA</u>
Monto del Préstamo	<u>US\$ 30.000.000 -</u>
Tipo de Préstamo	<input type="checkbox"/> Préstamo con Margen Variable (PMV) <input checked="" type="checkbox"/> Préstamo con margen Fijo (PMF)
Moneda	Precisar: <u>DOLARES AMERICANOS</u>
Comisión inicial	<input checked="" type="checkbox"/> Financiada con el importe del préstamo <input type="checkbox"/> Pagada por el prestatario al inicio
Fechas de Pago Semestral	Precisar: <u>15/ABRIL - 15/OCTUBRE</u>
<b>Si el Prestatario ha escogido el PMV, por favor seleccione:</b>	
Términos de Reembolso	i. <input type="checkbox"/> Reembolso del principal en cuotas iguales ii. <input type="checkbox"/> Reembolso del principal en base a anualidades (cuotas crecientes de principal)
<b>Si el Prestatario ha escogido el PMF, por favor llenar lo siguiente:</b>	
Términos de Reembolso	<b>Si el Prestatario ha escogido un calendario fijado al momento del compromiso:</b> a. Periodo de gracia (años): <u>0</u> b. Plazo de reembolso total (años): <u>15</u> c. Método de amortización (seleccione uno): i. <input checked="" type="checkbox"/> Reembolso del principal en cuotas iguales ii. <input type="checkbox"/> Reembolso del principal en base a anualidades ( <i>annuities</i> ) iii. <input type="checkbox"/> Amortización única al vencimiento iv. <input type="checkbox"/> Otra forma de reembolso adaptada a la necesidad del prestatario Si otra forma, por favor especificar _____ <div style="text-align: center;">6</div>
	<b>Si el Prestatario ha escogido un calendario vinculado a los desembolsos realizados:</b> a. Periodo de gracia (años): _____ b. Plazo de reembolso total (años): _____
Opciones de conversión	<input checked="" type="checkbox"/> El prestatario quiere incorporar todas las opciones de conversión en el Acuerdo de Préstamo <input type="checkbox"/> El prestatario quiere solamente las siguientes opciones de conversión: i. <input type="checkbox"/> Conversión de moneda ii. <input type="checkbox"/> Conversión de tasa de interés iii. <input type="checkbox"/> Tope/Banda  i. Si el prestatario quiere mantener la opción de poder convertir la tasa de interés, especifique: <input checked="" type="checkbox"/> El prestatario quiere mantener una tasa variable <input type="checkbox"/> El prestatario quiere fijación automática de la tasa (ARF)  ii. Si el prestatario ha escogido ARF, especifique: <input type="checkbox"/> Por período, especifique: <input type="checkbox"/> 6 <input type="checkbox"/> 12 <input type="checkbox"/> 18 <input type="checkbox"/> 24 (meses) <input type="checkbox"/> Por monto, especifique _____  iii. Si el prestatario quiere mantener la opción de poder adquirir topes/bandas a la tasa de interés, especifique: <input checked="" type="checkbox"/> La comisión por los topes/bandas sería financiada por el importe del préstamo (si hubiese monto por desembolsar) <input type="checkbox"/> La comisión por los topes/bandas sería pagada por el prestatario



Ministerio de Ganadería, Agricultura y Pesca  
 Proyecto de Manejo Integrado de Recursos Naturales y Diversidad Biológica  
 Plan de Adquisiciones

Adquisición N°	Descripción	Categoría	Monto (U\$S)	Monto BM (U\$S)	Procedimiento	Calendario	
						inicio trámite	decisión de adquisición / pago final
<b>Equipamiento UEP</b>							
	Computadoras de escritorio	equipamiento	3,998		llamado a precios	Jul-05	Jul-05
	Notebooks	equipamiento	12,546		llamado a precios	Jul-05	Jul-05
	Impresoras, fax, scanner	equipamiento	1,292		llamado a precios	Jul-05	Jul-05
	Red local (LAN)	equipamiento	3,000		llamado a precios	Jul-05	Jul-05
	Equipo presentaciones (3: cañón + pantalla)	equipamiento	5,700		llamado a precios	Jul-05	Jul-05
	Software	equipamiento	9,000		compra directa	Jul-05	Jul-05
	Mobiliario de oficina	equipamiento	5,000		compra directa	Jul-05	Jul-05
	Teléfonos celulares	equipamiento	1,107		compra directa	Jul-05	Jul-05
	Teléfonos	equipamiento	1,107		compra directa	Jul-05	Jul-05
	Vehículos para la UEP	equipamiento	30,000		llamado a precios	Jul-05	Aug-05
	Cámara fotográfica, filmadora y otros.	equipamiento	1,900		llamado a precios	Jul-05	Jul-05
	SS&E (consultoría y software)	consultoría y equipamiento	70,000		licitación nacional	Jul-05	Nov-05
	Integración UEP (21 personas) 05	consultores permanentes	21,800		llamado a demostración de intereses	Jul-05	Jul-05
	Integración UEP (21 personas) 06	consultores permanentes	261,600		llamado a demostración de intereses	Jul-05	Jul-05
	equipo y materiales de comunicación	equipamiento	28,445		llamado a precios	Jul-05	Aug-05
	subproyectos, servicios técnicos y áreas piloto	subproyectos (adquisiciones y servicios técnicos)	7,285,708		?	marzo 06	agosto 06
	Consultoría en Sistemas Biológicos para Depuración de Efluentes	consultoría (individual)	5,000		llamado a demostración de intereses	septiembre 05	octubre 05
	Consultoría en Manejo de Recursos Naturales	consultoría (individual)	5,000				
	Otras consultorías a definir	consultoría (individual)					
<b>Consultorías y Estudios especiales</b>							
	Definición de Línea de Base	consultoría (individual)	15,000		llamado a demostración de intereses	Jul-05	Aug-05
							Oct-05

Ministerio de Ganadería, Agricultura y Pesca  
 Proyecto de Manejo Integrado de Recursos Naturales y Diversidad Biológica  
 Plan de Adquisiciones

Visión biológica y planificación ecorregional	consultoría (empresa)	90,000		llamado a demostración de interés	Jul-05	Jul-05	Dec-05
Contratación de servicios de capacitación (?)	contratación servicios	200,000		llamado a demostración de interés	Aug-05	Sep-05	Nov-05
Consultoría para Sistema Informático para RENARE	consultoría (empresa)	50,000		llamado a demostración de interés	Jul-05	Aug-05	Feb-06
Consultoría para Difusión y Transferencia de Tecnología (?)	consultoría (individual)	5,000		llamado a demostración de interés	Jul-05	Aug-05	Nov-05
Consultores (permanentes) para regionales RENARE (jóvenes Ing. Agr.) 2005	consultores permanentes (individual)	8,000		llamado a demostración de interés	Jul-05	Aug-05	Sep-05
Consultores (permanentes) para regionales RENARE (jóvenes Ing. Agr.) 2006	consultores permanentes (individual)	24,000		llamado a demostración de interés	Jan-06	Jan-06	Jan-06
Consultoría Normalización Técnicas Analíticas y Gestión de Calidad	consultoría (empresa)	20,000		llamado a demostración de interés	Aug-05	Sep-05	Feb-06
Consultores (permanentes) "Tecnología" 2005	consultores permanentes (individual)	12,333		llamado a demostración de interés	Jul-05	Aug-05	Sep-05
Consultores (permanentes) "Tecnología" 2006	consultores permanentes (individual)	37,000		llamado a demostración de interés	-	-	Jan-06
Consultores (permanentes) "Parques y Fauna" 2005	consultores permanentes (individual)	8,000		llamado a demostración de interés	Jul-05	Aug-05	Sep-05
Consultores (permanentes) "Parques y Fauna" 2006	consultores permanentes (individual)	24,000		llamado a demostración de interés	-	-	Jan-06
Consultoría Planificación y Gestión de (áreas naturales protegidas no puede ser "corredores de biodiversidad")	consultoría	5,000		llamado a demostración de interés	Aug-05	Sep-05	Dec-05
Consultoría Planificación y Gestión de (áreas naturales protegidas no puede ser "corredores de biodiversidad")	consultoría (individual)	5,000		llamado a demostración de interés			

Ministro de Economía y Finanzas  
Uruguay



Montevideo, 2 de marzo de 2001.-

SM 24/01

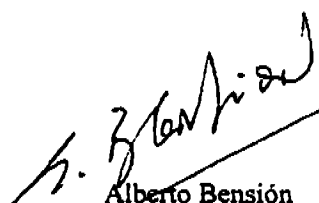
Señor  
James D. Wolfensohn  
Presidente  
The World Bank Group  
Washington D.C.

De mi consideración:

En mi carácter de Gobernador por la República Oriental del Uruguay ante el Banco Internacional de Reconstrucción y Fomento, por la presente designo al Sr. Carlos Steneri Representante Financiero de Uruguay en Washington D.C., para que actúe como Experto de la República Oriental del Uruguay en el Comité referido en el Artículo V Sección 7 del Convenio Constitutivo del Banco Internacional de Reconstrucción y Fomento.

Esta autorización es para cualquier proyecto a ser financiado por la Institución que preside, que se presente a su Directorio a partir de esta fecha y mientras quien suscribe sea Gobernador por la República Oriental del Uruguay ante ese Organismo.

Atentamente,

  
Alberto Bensión  
Ministro de Economía y Finanzas  
Gobernador por Uruguay

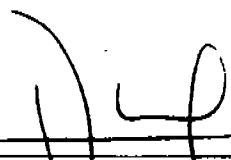
**ADDENDUM TO  
AGREED MINUTES OF NEGOTIATION  
BETWEEN THE REPUBLICA ORIENTAL DEL URUGUAY  
AND  
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
FOR THE PROPOSED INTEGRATED NATURAL RESOURCES AND BIODIVERSITY  
MANAGEMENT PROJECT**


Paragraph 5 (a) is agreed to be changed in the "AGREED MINUTES OF NEGOTIATION BETWEEN THE REPUBLICA ORIENTAL DEL URUGUAY AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR THE PROPOSED INTEGRATED NATURAL RESOURCES AND BIODIVERSITY MANAGEMENT PROJECT" dated April 22, 2005, as follows:

5. **Loan characteristics** (a) The financial term of the Loan were discussed and the following agreements were reached:

<b>IBRD financial product:</b>	Fixed-Spread Loan (FSL) with principal repayments linked to commitments
<b>Currency:</b>	United States Dollars
<b>Interest rate:</b>	Variable rate, consisting of 6 months LIBOR, and a spread that will be fixed at the time of signing.
<b>Repayment Terms:</b>	The Loan will have a grace period of 5 years and a final maturity of 15 years with level principal repayment on each April 15 and October 15 respectively.

**Buenos Aires, Argentina, April 22<sup>nd</sup>, 2005**

  
\_\_\_\_\_  
Michael Carroll  
Task Team Leader, LCSER

  
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Ernesto Agazzi  
Sub-Secretary  
Ministry of Livestock,  
Agriculture and Fisheries