



MINISTERIO
DE
ECONOMÍA Y FINANZAS

MINISTERIO DE ECONOMIA Y FINANZAS
MINISTERIO DE RELACIONES EXTERIORES

Montevideo, 5 JUL. 2010

10/05/001/60/299

VISTO: la propuesta del Banco Internacional de Reconstrucción y Fomento (B.I.R.F.), para convertir a dólares estadounidenses la parte de capital integrado por la República Oriental del Uruguay en moneda nacional en la referida institución, que se encuentra actualmente depositada en el Banco Central del Uruguay.-

RESULTANDO: I) que a esos efectos, el B.I.R.F. propone la suscripción de un Memorandum de Entendimiento, autorizando la referida conversión a los efectos de facilitar la utilización de los fondos por parte de la institución, para la ejecución de préstamos en la República.-

II) que en el referido convenio se dispone asimismo la devolución por parte del B.I.R.F. a la República Oriental del Uruguay de la suma de \$ 44.862.743,94 (cuarenta y cuatro millones ochocientos sesenta y dos mil setecientos cuarenta y tres pesos con 94/00), en concepto de diferencia de cambio por el mantenimiento de valor del referido capital integrado.-

CONSIDERANDO: I) que se estima conveniente para los intereses de la República, aceptar la propuesta del B.I.R.F., suscribiendo el Memorandum de Entendimiento presentado por dicha institución.-

II) que corresponde, en consecuencia, designar representante del Gobierno de la República para suscribir la documentación pertinente a efectos de su otorgamiento.-

ATENTO: a lo expuesto y a lo informado por la Unidad Gestión de Deuda del Ministerio de Economía y Finanzas;

EL PRESIDENTE DE LA REPUBLICA
RESUELVE:

1º) Apruébase el Memorandum de Entendimiento a celebrarse entre la República Oriental del Uruguay y el Banco Internacional de Reconstrucción y Fomento (B.I.R.F.), en los términos y condiciones propuestos por el B.I.R.F., cuyo texto constituye parte integrante de la presente Resolución.-

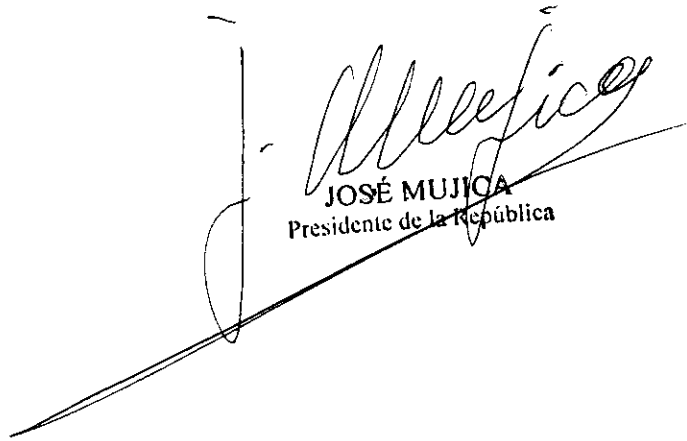

2º) Designase al Ministro de Economía y Finanzas, Ec. Fernando Lorenzo y al Subsecretario de Economía y Finanzas, Ec. Pedro Buonomo,

FS/adg

ce

indistintamente, para suscribir en nombre y representación de la República la documentación correspondiente.-

3º) Comuníquese, etc..



JOSÉ MUJICA
Presidente de la República

MEMORANDUM OF UNDERSTANDING

Between

**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

And

URUGUAY

[DRAFT]

APRIL X, 2010

This Memorandum of Understanding ("Memorandum") represents a statement of intent by the International Bank for Reconstruction and Development ("IBRD") and Uruguay (each a "Party" and together the "Parties") to collaborate in the achievement of the objectives outlined below.

1. Background

IBRD is seeing a large increase in the demand for its loans given current market conditions. It is expected that there will be a significant increase in new loans during the three years ending FY2011 and, in order to respond to this, IBRD is seeking to increase its capital. IBRD is considering various alternatives to increase its usable capital and special attention is being given to options which have the potential to increase and ensure the adequacy of IBRD's capital in a timely manner. One such option is increasing the usability of the portion of paid-in capital subscribed during previous capital increases in the currency of each member (the "National Currency Paid-in Capital" or "NCPIC").

2. IBRD's Policy on Usability of NCPIC

IBRD's Articles of Agreement do not place any restriction on IBRD's ability to use NCPIC for local currency administrative expenses without the member country's consent.

IBRD continues to encourage its members to either repurchase their NCPIC or otherwise release it for use by IBRD for lending, investment and conversion into other currencies.

3. Framework for Usability of Uruguay's NCPIC

In accordance with the requirements of IBRD's Articles of Agreement, Uruguay has paid a portion of its subscription for IBRD shares in its own national currency of which an amount equivalent to USD 12,235,019 is unreleased. As of March 31, 2010 this unreleased NCPIC included: the balance held with the Banco Central del Uruguay (comprising UYU 284,057,353.07 in cash) less maintenance of value due to Uruguay for UYU 44,862.743.94. The following are the details of the transaction:

- (i) The full amount of Uruguay's NCPIC held in cash with the Central Bank of Uruguay less maintenance of value due to Uruguay will be deposited into a local commercial bank in an account with IBRD's name by June 30, 2010.
- (ii) IBRD will use these amounts to pay for administrative expenses and for payments associated with loan or credit disbursements inside Uruguay, such as payments to contractors working on World Bank projects.
- (iii) IBRD agrees to provide an annual statement of accounts to Uruguay through the MOF with details of all changes to Uruguay's NCPIC balance.
- (iv) For purposes of the maintenance of value of Uruguay's NCPIC, any amounts not used under (ii) above will be subject to annual Maintenance of Value (MOV) calculations.

Settlement of this MOV will take place when the final payments in (ii) above are made.

4. Limits to Agreement

- (a) Except as provided in paragraph (b) below, this Memorandum does not constitute an agreement or commitment by either Party to enter into any other agreement or undertake any specific activity.
- (b) The transfer by Uruguay of any portion of its NCPIC in accordance with the terms of this Memorandum shall constitute an agreement by Uruguay in respect of such portion of the NCPIC to the release of such funds: (i) for the investment by IBRD; and (ii) to make payments inside Uruguay associated with loan or credit disbursements, such as payments to contractors working on World Bank projects. Any amounts released by Uruguay under sub-paragraph (ii) above shall, once disbursed, no longer be denominated in UYU.
- (c) Nothing in this Memorandum is intended to be, or should be construed as, a waiver of the privileges and immunities of either Party or its officers and employees, which privileges and immunities are hereby specifically reserved.

5. Miscellaneous

The person signing this Memorandum on behalf of each Party hereby represents and warrants to the other Party that he or she is an officer of the Party and has requisite legal power and authority to execute this Memorandum on behalf of the Party and bind the Party to the obligations herein.

In witness whereof, the Parties have caused this Memorandum to be executed as of the day and date written below.

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT,**

URUGUAY

Name: Charles McDonough
Title: Vice President and Controller
Date: _____

Name _____
Title: _____
Date: _____