

July 1, 1997

Ec. Luis Mosca  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Montevideo, Uruguay  
(on behalf of República Oriental del Uruguay)

Re: URUGUAY: Loan No. 4204-UR (Forest Products Transport  
Project)  
Audit

Dear Sir:

With refer to the Loan Agreement, entered into between the República Oriental del Uruguay (the Borrower) and the International Bank for Reconstruction and Development (the Bank), the AFE Project Agreement entered into between the Bank and Administración de Ferrocarriles del Estado and the ANP Project Agreement entered into between the Bank and Administración Nacional de Puertos, all of even date herewith.

With reference to Sections 4.01 of the Loan Agreement, the AFE Project Agreement and the ANP Project Agreement, we would like to inform you that the Borrower's Tribunal de Cuentas will be considered acceptable for the audits concerning the Borrower, AFE and ANP in respect of the above Project, as long as: (a) the terms of reference for each audit will be approved by the Bank; and (b) said Tribunal de Cuentas:

- (i) maintains the independent character required by such Sections;
- (ii) carries out its auditing work with sufficient and competent staff; and
- (iii) applies internationally accepted auditing standards and procedures.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

By \_\_\_\_\_  
Authorized Representative

AGREED AND CONFIRMED:

REPUBLICA ORIENTAL DEL URUGUAY

By \_\_\_\_\_  
Authorized Representative

ADMINISTRACION DE FERROCARRILES DEL ESTADO

By \_\_\_\_\_  
Authorized Representative

ADMINISTRACION NACIONAL DE PUERTOS

By \_\_\_\_\_

Authorized Representative

