

FONPLATA REGULATIONS

These Regulations are issued in accordance with the provisions of the Articles of Agreement of FONPLATA.

CHAPTER I

GENERAL PROVISIONS

Article 1

For the purpose of these Regulations:

- a) "FONPLATA" means the Financial Fund for the Development of the River Plate Basin.
- b) "Members" or "shareholders" mean the countries and entities that are members or shareholders of FONPLATA.
- c) "Founding member countries" and "founding members" are the signing countries of the River Plate Basin Treaty and the Articles of Agreement of the Fund for the Development of the River Plate Basin.
- d) "Non-founding member countries and "non-founding countries" mean the countries that have become members of FONPLATA after its foundation.
- e) "Agencies" are the member countries' or third countries' public or public-private entities and the international agencies that become members of FONPLATA.
- f) "Board" means the Board of Governors of FONPLATA.
- g) "Executive Board" means the Executive Board of Directors of FONPLATA.
- h) "Governors" mean the Governors that represent FONPLATA's member countries.
- i) "Directors" are the Executive Directors that represent FONPLATA's members.
- j) "Resolution" means any decision adopted by the Board of Governors and Executive Board of FONPLATA.

Article 2

The headquarters of FONPLATA are in the city of Santa Cruz de la Sierra, Plurinational State of Bolivia. The Fund may have offices in the member countries or in third countries.

CHAPTER II

BOARD OF GOVERNORS

Article 3

The Board of Governors shall be composed of one (1) Head Governor and one (1) Alternate Governor, who will replace the Head Governor in his/her functions. Both shall be appointed by each of its members.

In the event a Head Governor or its Alternate may not attend a Meeting of the Board, a Temporary Alternate Governor shall be appointed to act in their place.

Article 4

The Executive Board shall draw up a Draft Agenda of the annual meeting of the Board. This agenda and the call to the meeting shall be communicated in writing to the members by the Executive Presidency.

The Draft Agenda of the annual meeting shall be presented at least thirty (30) days before the date proposed for the meeting.

New items may be added to the Draft Agenda of the annual meeting upon request of the Governors up to fifteen (15) days before the meeting. The Agenda shall be approved by the Board at the beginning of the meeting.

Article 5

Once established, the Board shall appoint a President from among the Head Governors of the member countries, who will hold office until the next annual meeting and shall be replaced by the following member country's Governor (in alphabetical order).

Article 6

Directors and Alternate Directors may attend all the meetings of the Board upon invitation of their respective Governors, with no speaking or voting rights.

Article 7

Voting in the Board of Governors shall be made in alphabetical order, beginning by the country which follows the country holding the Board's Presidency.

The vote of the member country exercising the Presidency of the Board shall be casted by the respective Alternate or Temporary Governor.

Article 8

Where the Board may take measures that cannot be postponed and calling an extraordinary meeting is not deemed necessary, the Executive Presidency, in consultation with the Executive Board, shall submit to each Governor in writing, using the most efficient means, a formal motion with the proposed measure and the requirement for each Governor's vote. The Executive Presidency shall propose a term for casting the vote. Once this term falls due, the Executive Presidency shall record the results of the voting and shall notify the adopted decision to the Member Countries.

The resolution shall be deemed as approved when the majority established in Article 22 of the Articles of Agreement is reached.

Article 9

The President of the Board, in consultation with the Executive Board, may invite observers to attend the meetings of the Board, with no speaking or voting rights.

CHAPTER III

EXECUTIVE BOARD OF DIRECTORS

Article 10

The Executive Board of Directors shall be composed of one (1) Head Director and one (1) Alternate Director appointed by each of the five founding member countries, and up to four (4) Head Directors and four (4) Alternate Directors that shall be elected by the non-founding members.

Where any Head Director or its Alternate may not attend a meeting of the Executive Board of Directors, a Temporary Alternate Director shall be appointed to represent them with identical functions.

Head and Alternate Directors may not be accredited as Governors.

Article 11

The meetings of the Executive Board of Directors shall be called by the President or the Executive President at least twenty (20) days in advance. The draft agenda of the meeting shall be enclosed. The relevant documents shall be submitted to the Directors at least fifteen (15) days before the meeting and this term may be reduced to ten (10) days should circumstances require.

New items may be added to the draft agenda of the annual meeting upon request of the Directors up to ten (10) days before the meeting. The agenda shall be approved by the Executive Board of Directors.

Article 12

The Governor, the Director, their Alternates or Temporary Alternates may authorize advisers to attend the meetings of the Executive Board in order to present relevant issues.

Article 13

The Executive Board of Directors may hold meetings of a confidential nature upon request of any Director or the Executive President to address relevant issues.

Article 14

Where the Executive Board of Directors may adopt measures that cannot be postponed until the following ordinary meeting, the Executive Presidency, in consultation with the Executive Board, shall submit the respective formal motion with the proposed measure to be voted within ten (10) working days. Upon completion of this deadline and without any objection to the approval of the proposed motion, the Executive Presidency shall record the result and notify the adopted decision to the Executive Directors.

CHAPTER IV

EXECUTIVE PRESIDENT

Article 15

The Executive President shall be elected by the Board of Governors in accordance with the criteria set forth below.

The Executive President shall be a citizen of any of the member countries with an academic background in the spheres of competence of FONPLATA and experience in executive positions in financial and/or development organizations, preferably public entities.

The Executive President's initial term of office shall be five years and may be renewable. The candidates shall be proposed by the Governors taking into account the conditions set forth in the previous paragraph. The election process shall start in the last semester of the Executive President's term of office.

The Board shall evaluate and eventually remove the Executive President.

CHAPTER V

MINUTES AND FILES

Article 16

The Board of Governors and the Executive Board of Directors shall keep written records of the meetings, resolutions, and activities thereof, which shall be kept at the headquarters of FONPLATA at the disposal of all the members.

The archives of FONPLATA shall be inviolable.

CHAPTER VI

REMUNERATION

Article 17

Governors and Executive Directors, their respective Alternates and Temporary Alternates, the President of the Board of Governors and the President of the Executive Board of Directors shall perform their functions without being remunerated by FONPLATA.

The Executive Board of Directors may decide upon the payment of tickets and daily allowances for attending the meetings as well as on account of special tasks entrusted to them by FONPLATA.

CHAPTER VII

RELATIONS WITH OTHER AGENCIES

Article 18

Under the terms of the Articles of Agreement and the Regulations, FONPLATA may enter into cooperation agreements with national or international agencies, as well as with public or private technical assistance organizations.

CHAPTER VIII

MISCELLANEOUS PROVISIONS

Article 19

The annual audit provided for in Article 38 of the Articles of Agreement shall be carried out in accordance with the generally accepted international standards on the matter. The audit shall include reviewing the supporting documentation, verifying that all financial transactions made during the term under examination were duly authorized; and determining whether all transactions were duly recorded.

FONPLATA's administration shall provide the auditors with any additional document and piece of information required, which shall be treated confidentially.

The Audit report shall be included in the annual Financial Statements to be presented to the Board.

Article 20

Spanish and Portuguese shall be the official and working languages of FONPLATA.

Article 21

These Regulations shall enter into force as of the date of the approval thereof by the Board of Governors.

In the case of conflict between the provisions of these Regulations and the Articles of Agreement, the Articles of Agreement shall prevail.