



## 1. Project Data

<b>Project ID</b> P161989	<b>Project Name</b> UY E-Gov Services for Citizens&Business	
<b>Country</b> Uruguay	<b>Practice Area(Lead)</b> Governance	
<b>L/C/TF Number(s)</b> IBRD-87780	<b>Closing Date (Original)</b> 31-Dec-2021	<b>Total Project Cost (USD)</b> 11,833,544.08
<b>Bank Approval Date</b> 03-Aug-2017	<b>Closing Date (Actual)</b> 15-Dec-2023	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	12,000,000.00	0.00
Revised Commitment	12,000,000.00	0.00
Actual	11,913,679.55	0.00

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## 2. Project Objectives and Components

### a. Objectives

According to the Financing Agreement (FA) dated November 7, 2017 (p. 5) and the Project Appraisal Document (PAD, p. 6), the Project Development Objective (PDO) was:

*To improve the quality of selected e-government services for citizens, businesses and the Borrower's public entities, and facilitate their access.*



For the purposes of this review, the PDOs have been parsed as follows:

**PDO1:** To improve the quality of selected e-government services for citizens and facilitate their access.

1. **PDO2:** To improve the quality of selected e-government services for businesses and facilitate their access.
2. **PDO3:** To improve the quality of selected e-government services for the Borrower's public entities and facilitate their access.

The PDO remained unchanged over the project lifecycle.

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

**Component 1: Improving the Delivery of e-Government Services to Citizens** (Approved: US\$4.0 million; Actual: US\$3.8 million).

This component aimed to improve the quality of selected e-government services to citizens and to facilitate their access. Activities primarily focused on improving delivery systems, provider management and user engagement. The participating entities were the Agency for the Development of Electronic Government Management and an Information and Knowledge Society (*Agencia para el Desarrollo del Gobierno de Gestión Electrónica y la Sociedad de la Información y del Conocimiento*, AGESIC), and the Digital Technology Center for Public Education Innovation (Centro CEIBAL) (PAD, p. 7). There were two subcomponents:

1. Strengthening AGESIC's e-government service provision.
2. Strengthening Centro CEIBAL's Capacity to manage its programs.

Activities to strengthen AGESIC's services included: (a) development and implementation of a national government data architecture; (b) design of new smart services and a business analytics and intelligence platform; (c) development of a framework for citizen participation, transparency and oversight mechanisms, including e-participation tools and their impact evaluation; (d) development and piloting of collaboration mechanisms between the government's public entities and citizens; and (e) facilitating access to government services and information, particularly in remote areas.

Activities to strengthen CEIBAL's services included: (a) improvement of customer service; (b) establishment of a computer security incidence response team (CSIRT); (c) strengthening CEIBAL's management and back-office by implementing new modules to their Enterprise Resource Planning (ERP) system; (d) improvement of CEIBAL's data management; (e) technical assistance (TA) and last-mile connectivity to the national broadband infrastructure to provide broadband internet access in rural schools; and (f) strengthening CEIBAL's strategic planning capacity.



**Component 2: Improving the Delivery of e-Government Services to Businesses** (Approved: US\$3.4 million; Actual: US\$2.2 million).

This component aimed to improve the quality of selected e-government services to businesses and to facilitate their access. The focus was on improving delivery systems (including the scope of services), provider management, and cross-entity collaboration within key agencies such as the International Trade Single Window (*Ventanilla Única de Comercio Exterior*, (VUCE)), the Directorate General of Taxation (*Dirección General Impositiva*, DGI), and the National Research and Innovation Agency (*Agencia Nacional de Investigación e Innovación*, (ANII)) (PAD, p. 8). There were three subcomponents:

1. Improving export-related services for businesses.
2. Implementing e-invoicing for small and medium businesses.
3. Improving access to specialized information to businesses.

Activities to improve export-related services for businesses included: (a) TA and training to optimize administrative processes for public entities using VUCE; (b) institutional strengthening of VUCE, including enhancing its quality management system; (c) implementation of a new interoperability platform for international information exchange; and (d) expansion of the coverage of VUCE's integrated platform and re-engineering administrative process across the value chain for priority exports.

Activities to implement e-invoicing for small and medium businesses included: (a) development and implementation of an e-invoicing system for small and medium taxpayers that were under the electronic tax invoicing regime; (b) enhancement of DGI's fiscal risk management system to enable strategic planning of taxpayer compliance and the management of audit cases, in line with DGI's new organizational model; and (c) operationalization of DGI's new governance model.

Activities to improve access to specialized information to businesses included: (a) expansion of services provided through *Portal Timbó* (a web platform launched in 2009 by ANII which provides free and full access to the most relevant scientific and technological publications to Uruguay's citizens); (b) and development of an online knowledge exchange platform (Trama Portal) for the Trama Project (launched in 2014 by ANII to create opportunities for networking, exchange, and the creation of alliances among its users) in order to reach a wider audience giving it greater visibility and facilitating communication among beneficiaries (PAD, p. 32).

**Component 3: Improving the Delivery of e-Government Services to Government Entities** (Approved: US\$2.1 million; Actual: US\$5.3 million).

This component aimed to improve the quality of selected e-government services to public entities and facilitate their access. The activities focused on improving provider monitoring and payments, provider management, government delivery systems, and cross-entity collaboration between the General Accounting Office (*Contaduría General de la Nación*, (CGN)), the Ministry of Economy and Finance (MEF), and other entities with a direct link to MEF's priorities (PAD, p. 10). There were two subcomponents:

1. Enabling the receipt of electronic invoices by state entities.
2. Strengthening the MEF's management of information.

Activities to enable the receipt of electronic invoices by state entities included: (a) development of a system for budget executing units to receive and manage electronic invoices generated by providers; (b) acquisition



of the necessary software and hardware for the Integrated Financial Information System (*Sistema Integrado de Información Financiera*, SIIF); and (c) installation of the SIIF in approximately 243 executing units, along with training and the establishment of a help desk.

Activities to strengthen the MEF's management of information included: TA for the production, processing, analysis and dissemination of information within MEF's priority areas; strengthening of the national statistics system; and support for other entities involved in implementing activities in the MEF's priority areas.

**Component 4: Strategic Diagnostics, Activities and Knowledge Sharing, and Project Coordination**  
(Approved: US\$1.6 million; Actual: US\$0.8 million).

This component aimed to strengthen the government's capacity to support strategic reforms in areas that are critical to achieving the PDO (PAD, p. 10). There were no sub-components.

Activities included: (a) strengthening the government's monitoring and evaluation capacity; (b) disseminating lessons learned on e-government service provision across the borrower's public entities and internationally; (c) TA and training to improve the quality of e-government services for the three groups of beneficiaries, and facilitate their access; (d) defining and implementing change management strategies in the areas addressed by the project; and (e) supporting overall project coordination and management.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project Cost:** The project cost at appraisal was US\$12.0 million (PAD, p. 11). The actual cost was US\$11.9 (ICR, p. 2). The slight difference was due to the timing of disbursements. Some contracts extended beyond the loan closing date and payments made after the loan's closure were covered by government resources rather than project funds.

**Financing:** The actual project financing at closing was US\$11.9 million. The project was originally financed by an IBRD loan of US\$12.0 million approved on November 7, 2017 (FA, p. 4)

**Borrower Contribution:** The Republic of Uruguay did not intend to provide counterpart funding. However, due to procurement delays, some activities initially intended to be funded by the project were instead financed with government resources. The total government contribution was not reported in the ICR.

**Dates:** The WBG approved the project on August 3, 2017, and it became effective on December 26, 2017, with an original closing date of December 31, 2021. The first restructuring, approved on August 30, 2021, extended the closing to June 30, 2023. The second restructuring, approved on May 23, 2023, further extended the closing date to December 15, 2023. These extensions were intended to provide additional time to complete project activities, achieve the PDO outcomes (PDO Indicators 1.1, 2 and 3), and ensure a smooth transition to the follow-up Institution Strengthening for Greater Competitiveness Operation (P180638), approved in November 2023. The Project mid-term review (MTR) was finalized on June 1, 2022 (ICR, p. 2).

**Restructurings:** The project underwent two level 2 restructurings. There were no changes to the PDO, PDO Indicators, Outcome Targets, or Components. The main changes were as follows:



In addition to extending the project closing date, the **first restructuring** (level 2) reallocated funds between components. For 18 months, some project activities stalled due to the COVID pandemic and the transition to a new government elected on March 1, 2020. There were fiscal and operational constraints imposed by the pandemic, and a re-prioritization of government resources. The new government was updating the National Digital Agenda Uruguay 2030 and needed to appoint a new coordinator for the project coordination unit (UCP) which it did not do until January 2021 (RES 47670, p. 3). In addition, the project's 2021 annual work program and the relaunching of procurement processes was not ready until June 2021. Meanwhile, AGESIC, VUCE and ANII continued implementing project activities with the government's own resources, identifying priority areas where other funding existed, such as the standardization of government web portals for ease of access by users, such as VUCE (ICR, para 16). Thus, funds originally allocated to these activities (US\$3.9 million) were reallocated to other ongoing activities as follows: US\$0.8 million to Component 1, US\$0.6 million to Component 2, US\$2.2 million to Component 3 to expand TA for the use of electronic invoices and information management, and US\$0.2 million to Component 4. In particular, the reallocation was to i) enable the receipt of electronic invoices by State entities; and ii) strengthen MEF's capacity to manage information through the provision of TA for the production, processing, analysis and dissemination of information within MEF's priority areas. As of July 2021, 61.3 percent of the original Project funding had been disbursed (RES47670, p. 3).

A **second restructuring** (level 2) approved some minor funds reallocations and further extended the Project's closing date by 5.5 months to allow for the following activities to be completed: i) adding functionalities to the Electronic Invoice Reception System for vendors (*Sistema de Recepción de Factura Electrónica*, SIRFE); and ii) designing and deploying specific MEF-related electronic services, thus expanding the catalog of online services for citizens and firms including about 30 new electronic services. Resources (US\$0.8 million) were reallocated as follows: US\$0.3 million to Component 2, US\$0.3 million to Component 3, and US\$0.25 million to Component 4. As of May 2023, 87.7 percent of the loan amount had been disbursed (RES56230, p. 3-4)

### 3. Relevance of Objectives

#### Rationale

**Country context:** A strong and progressive social compact had been a defining feature of Uruguayan society and politics, with consistent emphasis placed on protecting vulnerable groups, assuring worker dignity, and promoting equitable growth. This compact, combined with rapid economic growth since 2003, contributed to the development of a sizeable middle class, the largest in Latin America at 60.0 percent as the proportion of the total population, as well as effective institutions, good governance and a high degree of public trust in government (CPF, para 1).

**Sector context:** Uruguay had made important advances in connectivity and the provision of e-government services. In 2016, 87.0 percent of people had internet access at home (71.0 percent on their mobile phones), nearly all schools had wireless internet, and 96.0 percent of public-school students had access to a personal laptop provided by the State. Since 2009, the ANII, offered citizens free access to the most relevant scientific and technological publications through *Portal Timbó*. Additionally, e-invoicing services for large taxpayers had been available from DGI since 2010, and in 2013, Uruguay's Investment, Export and



Country Brand Promotion Agency (Uruguay XXI) implemented VUCE, enabling the processing of selected export-related requirements through a single electronic gateway (PAD, p. 3).

The project supported the Digital Uruguay Agenda and the prioritization of seven agencies (AGESIC, ANII, CGN, CEIBAL, DGI, the MEF, and VUCE) with important roles in implementing the Digital Uruguay agenda. It sought to address Uruguay's supply and demand side challenges in the delivery of e-government services. On the supply side, only 60.0 percent of the schools covered by Plan CEIBAL had broadband internet access and only 400 out of 1,400 administrative processes were able to be completed online (600 could be started online). On the demand side, 43.0 percent of people preferred to go to a public office for an administrative process against 27.0 percent that preferred to do it online (PAD, p. 3-4).

The Project's activities were well-aligned with global thinking on how to increase e-government service use through supply and demand side interventions. For example, it was planned to have proactive citizen services, a mobile citizen access point, and the design of new services targeted at specific needs. In addition, the project also contemplated space for activities to strengthen the monitoring and evaluation capacity to research the impact of activities which is key for identifying future improvements to effectiveness (PAD, p. 4-5).

**Alignment with strategy.** The project was aligned with the CPF at appraisal (FY16-21), contributing to Pillar 3, which focused on integrating Uruguay's small economy into the global value chain, and Pillar 2, which aimed to strengthen government services for citizens, with an emphasis on education and marketable labor skills. The PDO to improve the quality of and access to selected e-government services was also aligned with Objective 5 of the FY23-27 Country Partnership Framework (CPF), which aimed to improve the capacity of the public administration to implement policies and deliver services.

**Previous Bank experience:** In the decade prior to the project, the World Bank (WB) and the Inter-American Development Bank (IDB) had supported the country's efforts in reducing the digital divide and improving service delivery using ICT. The WB supported a number of areas for strengthening public administration, including monitoring and evaluation, procurement, and social program information managements, through the Institutions Building Technical Assistance Loan (IBTAL, P097604). As part of these efforts, in 2005 AGESIC was created under IBTAL, a general e-government strategy was defined, and the first applications of online administrative processes were launched (PAD, p. 2)

The project's objectives were highly relevant to the country and sector context and fully aligned with the CPF. The project's activities fully addressed important development problems and sought to contribute solution built on lessons learned from previous interventions.

## Rating

High

## 4. Achievement of Objectives (Efficacy)



## **OBJECTIVE 1**

### **Objective**

Improve the quality of selected e-government services for citizens, and facilitate their access.

### **Rationale**

**Theory of Change (ToC).** The original PAD did not include an explicit ToC, but one was added in the ICR focusing on key project interventions and targeted outcomes at appraisal (ICR, Figure 1). PDO 1 aimed to improve the quality and facilitate access of selected e-government services for citizens and was to be measured by two indicators: PDO Indicator 1.1: Improved delivery of distance learning materials to targeted schools (number); PDO Indicator 1.2: Increased accessibility to online administrative processes, as measured by the number of citizens' administrative processes attended to by the Mobile Citizens Access Point (PAC) (PAD, p. 6).

The project aimed to improve CEIBAL and AGESIC's delivery systems, provider management, and user engagement. It enhanced CEIBAL's capacity for distance learning in rural areas by contracting the National Telecommunications Company (ANTEL) to boost broadband in 300 schools, with 236 funded by the project. Additional support included strengthening CEIBAL's management, cybersecurity, customer service (via WhatsApp and Chatbot), and providing computers to students.

The project enhanced AGESIC's face-to-face and non-face-to-face Citizen Access Points (PACs). The unified government portal (gub.uy) was enhanced with PACs that included online chat, social media (Facebook), and videocalls, and training provided to manage these channels. Initially, the project aimed to create face-to-face mobile PACs, but they became less demanded during and after the COVID-19 pandemic as citizens' uptake of online services significantly improved. In 2019, almost half of the number of services provided were done face to face, while in 2020 the face-to-face interactions dropped below 30.0 percent and online channels started to take the lead in citizen interaction. By 2021, non-face-to-face channels, particularly emails, became the main interaction mode, while phone channels were the most used at project closing.

By the end of the project, these reforms were expected to deliver broadband capacity to 300 rural schools, covering 50 percent of the beneficiary population without broadband access before; and attend 150,000 (revised target) citizen's administrative processes through the Mobile Access Points. In addition, they were to increase the number of users performing research online before carrying out an administrative process, increase the number of entities using the government data platform to improve management, increase the number of entities which had implemented at least one of the components of the e-Participation solution, increase productivity of customer service provided by CEIBAL, and improve satisfaction with CEIBAL's customer service.

The causal links between project activities (inputs), outputs and some intermediate outcomes were clearly defined, except for PDO indicator 1.1. This indicator aimed to improve delivery of distance learning materials to targeted schools, but the target measured connectivity which does not necessarily translate into effective delivery of learning materials and improved quality of distance education.

The broadband access indicator aligns with the project's objective, as reliable connectivity is essential for delivering quality distance learning. By focusing on broadband capacity, it captured both access and service quality in rural schools, although additional indicators on educational content quality could have been beneficial. While CEIBAL's survey (IRI 1.5 in the ICRR and IRI 1.2.2 in the ICR) showed high user satisfaction, it assessed service accessibility and experience, not learning outcomes.



## Outputs

The project delivered the following outputs (ICR, Key Outputs by Component, p. 29-31)

- Provision of broadband internet connections in rural schools.
- Incorporation of additional channels in CEIBAL's customer service (WhatsApp, Chatbot).
- Strengthening of the Computer Security Incident Response Center and cybersecurity standards (management of IT risks, agreements with AGESIC for training, information security audits, and vulnerability analysis system).
- Strengthening of CEIBAL's back-office systems and data center (implementation of Workday Adaptive tool for planning, and training in DevOps methodology for collaborative management of software products).
- Incorporation of online channels of access to Citizens Access Points (online chat, social media, and videocalls)
- Development of an information architecture for standardized web government portals.
- Development of a data analysis framework.

## Outcomes

The achievement of the PDO was assessed using the indicators listed below (ICR, Annex 1).

**PDO Indicator 1.1.** Improved delivery of distance learning materials to targeted schools (number). Baseline: 0 rural schools. Target: 300 rural schools. Actual: 1,027 rural schools. During the project lifespan, a total of 1,027 rural schools were connected to broadband internet, transitioning all rural schools in the country from narrowband to broadband connectivity. Of these, 236 connections were funded by the project, with the remainder funded with CEIBAL's own resources. Although the project directly funded broadband internet connection for only 236 rural schools, its contribution was fundamental, as it facilitated the hiring of ANTEL to provide broadband connectivity. **(PDO Indicator 1.1: Exceeded)**.

**PDO Indicator 1.2.** Increased accessibility to online administrative processes, as measured by the number of citizens' administrative processes attended to by PAC (cumulative number). Baseline: 0. Target: 150,000 (revised). Actual: 175,771. The project exceeded the end-target. **(PDO Indicator 1.2: Exceeded)**.

Due to the pandemic, AGESIC chose to strengthen the channels not requiring the physical presence of users, which led to measure this PDO slightly different, by covering all citizen administrative requests processed online through the existing PACs. At the peak of the pandemic in 2021, 24,241 requests were processed, and the government set the new target of 150,000 in 2022 (ICR, para 23).

The quality dimension was measured through user satisfaction, which was not tracked by the project, but improved. IRIs 1.1 and 1.2 below show evidence an increase in the number of users performing research online before carrying out an administrative process and an increase in the number of public entities using the government data analysis platform to improve their management. Likewise, a number of entities implemented at least one of the components of the e-Participation tool *Decidim* which offered modules that enabled public entities to conduct a range of consultations.

The ICR noted that although the IRIs were achieved, it is unclear to what extent they demonstrated improved quality of the targeted services. IEG notes that an increase in the percentage of users performing





research online, before carrying out an administrative process, is not sufficiently indicative of the quality of the services provided. Similarly, an IRI measuring the number of public entities using the government data analysis platform(s) to improve their management does not indicate how management improved. To measure quality, AGESIC tracked a user satisfaction indicator which showed that 88 percent of users reported satisfaction with the use of digital channels to access e-government services in 2022, compared to 85 percent for the last request conducted face-face, and 80 percent in 2016 (ICR, para 24).

### **Intermediate Results Indicators (IRIs)**

There were 5 **IRIs** that informed the achievement of the PDO (ICR, Annex 1). All five were achieved exceeding their end-targets (IRIs are numbered in the order they are in Annex 1):

**IRI 1.1:** Increase in users performing research online before carrying out an administrative process (percentage). Baseline: 27. Target: 50. Actual: 56. The project exceeded the end-target. **(IRI 1.1: Exceeded)**

**IRI 1.2:** Entities using the government data analysis platform to improve management (number). Baseline: 0. Target: 6. Actual: 12. The project exceeded the end-target. **(IRI 1.2: Exceeded)**

The PAD (p. 19) notes there were 243 government executing entities operating within the SIIF which would reflect that, although IRI 1.2 was exceeded, it was not very ambitious. This also applies to IRI1.3 below.

**IRI 1.3:** Number of entities which have implemented at least one of the components of the e-Participation solution (number). Baseline: 0. Target: 6. Actual: 12. The project exceeded the end-target. **(IRI 1.3: Exceeded)**

**IRI 1.4:** Increase in productivity of customer service provided by CEIBAL (text). Baseline: 60.0 UY pesos cost per interaction. Target: 37.0 UY pesos. Actual: 21.0 UY pesos. The project exceeded the end-target. **(IRI 1.4: Exceeded)**

**IRI 1.5:** User satisfaction with CEIBAL's customer service (text). Baseline: 80.0 percent. Target: 80.0 percent. Actual: 90.0 percent. The project exceeded the end-target. **(IRI 1.5: Exceeded)**

**Rating**  
High

## **OBJECTIVE 2**

### **Objective**

Improve the quality of selected e-government services for businesses, and facilitate their access.

### **Rationale**

**Theory of Change.** The original PAD did not include an explicit ToC, but one was added in the ICR (ICR, Figure 1). PDO 2 aimed to improve the quality and access of selected e-government services for businesses and was to be measured by one indicator: PDO 2: Reduced processing time of foreign trade related administrative requirements by VUCE (PAD, p. 6).



These outcomes were to result from improving the delivery systems, scope of services, provider management and cross-entity collaboration in VUCE, the DGI, and ANII.

To strengthen VUCE, the project implemented activities to reduce the average processing time of foreign trade related administrative requirements. Key activities included: expanding the coverage of procedures that can be accessed through VUCE and strengthening capacity in participating organizations by providing the necessary human and financial resources; and strengthening interoperability with the VUCE equivalent in other countries to expedite the exchange of documentation; and institutional strengthening. The project also supported obtaining the ISO certification (9001-2015) for VUCE's management quality system. The system focused on incorporating three ministries (Industry, Energy and Mining; Public Health; and Livestock, Agriculture and Fisheries) to the platform which collectively issued 90 percent of the export and import certificates needed for trade transactions.

The perceived value added by VUCE was measured by a business survey (IRI 2.1.1 in the ICR) on the percentage of users satisfied with the quality and effectiveness of the services provided by VUCE (PAD, p. 21; ICR, para 26). The perceived value added by VUCE increased from 89 to 95 percent (compared to the project's end target of 96 percent), which, according to the ICR, underscored satisfaction with the quality and effectiveness of the services provided.

To strengthen DGI, the project increased the coverage of electronic tax invoices and strengthened DGI's fiscal risk management system for greater efficiency and control. Activities included expanding DGI's e-invoicing services from only large taxpayers to all taxpayers subject to the electronic tax invoice (*Comprobante Fiscal Electrónico*, CFE) targeting first, small, and medium firms. This was done by hiring of a firm to first expand e-invoices services to small businesses and providing related training for DGI. The expansion was underpinned by the project's activities to strengthen DGI's capacity to deliver e-government services to businesses. Activities also included the formulation of a centralized taxation plan and a new comprehensive risk rating matrix through the development of new functionalities of the Fiscal Intelligence Integrated Technological Solution (FIS-T). This was to enhance DGI's fiscal risk management system which the entity had started deploying it to all its offices.

To strengthen ANII, the project supported greater access to national scientific content relevant to businesses and entrepreneurs. The project supported ANII's provision of services through *Portal Timbó* and helped the Trama Project reach a wider audience. The *Trama Portal* facilitated more interactions than the end-of-project target, but it remained a pilot and later went into standstill due to a lack of funds. In relation to *Portal Timbó*, uptake from businesses was low, as the platform continued to be primarily oriented towards academic users and, by project's end, most users were from academia. The project also focused on supporting the development of a national repository system to address concerns that international publications were easier to access through *Portal Timbó* than national research.

By the end of the project, these reforms were expected to reduce time to carry-out an administrative process in VUCE, improve perception of the value added by VUCE, increase the percentage of administrative processes integrated into VUCE's single window platform, increase the number of taxpayers incorporated into the CFE and issuing e-invoices, facilitate interactions through *Portal Trama* (text), and increase the number of registered users using *Portal Timbó* (number).



The causal links between project activities (inputs), outputs and intermediate outcomes were clearly defined. The links to the PDO outcomes were also clearly defined: to improve the quality of selected e-government services for businesses, and to facilitate their access.

## Outputs

The project delivered the following outputs (ICR, Key Outputs by Component, p. 29-31)

- Implementation of a new interoperability platform for exchange of information between VUCE and other countries.
- Development of a data exchange platform with three targeted ministries (Industry, Energy and Mining; Public Health; and Livestock, Agriculture and Fisheries).
- Hiring of technicians to boost the capacity of targeted ministries for the integration.
- Implementation plan and obtention of ISO91 certification for VUCE platform.
- Development of functionalities to expand e-invoices services to small and medium businesses.
- Development of a new comprehensive tax risk rating model and matrix.
- Development of an online portal for the Trama Project. Development of a national repository system of scientific literature.

## Outcomes

The achievement of the PDO was assessed using the indicators listed below (ICR, Annex 1).

**PDO Indicator 2.** Reduced processing time of foreign trade related administrative requirements by VUCE (hours). Baseline: 50.40 hours. Target: 33.00 hours. Actual: 27.37 hours. The project exceeded the end-target. **(PDO Indicator 2: Exceeded)**

## IRIs

There were 5 **IRIs** that informed the achievement of the PDO (ICR, Annex 1). Four out of five IRIs were achieved, three exceeded their end-targets (IRIs are numbered in the order they are in Annex 1):

**IRI 2.1:** Improved perception of the value added by VUCE (percentage). Baseline: 89.0 percent. Target: 96.0 percent. Actual: 95.0 percent. The project achieved the end-target. **(IRI 2.1: Achieved)**

**IRI 2.2:** Increase in the percentage of administrative processes integrated into VUCE's single window platform (percentage). Baseline: 36.0 percent. Target: 90.0 percent. Actual: 83.0 percent. The project partially achieved the end-target. **(IRI 2.2: Partially Achieved)**

**IRI 2.3:** Percentage of taxpayers incorporated into the CFE and issuing e-invoices, as a percent of the total population of taxpayers to be incorporated into the CFE (percentage). Baseline: 50.0 percent. Target: 96.0 percent. Actual: 99.2 percent. The project exceeded the end-target. **(IRI 2.3: Exceeded)**

**IRI 2.4:** Number of interactions facilitated through *Portal Trama* (text). Baseline: No platform. Target: 70.0 percent increase from the first year. Actual: 83.0 percent increase from the first year. Although the end target was exceeded, the Trama Portal remained in the pilot stage. Furthermore, aside from the needs assessment study, which was funded by the project, the Government financed the development of the Trama Portal



with its own resources due to procurement delays and incompatibilities between the WB and the Government's procurement procedures (ICR, p. 13). **(IRI 2.4: Exceeded)**

**IRI 2.5:** Increased number of registered users using *Portal Timbó* (number). Baseline: 40,450 registered users. Target: 47,782 registered users. Actual: 85,498 registered users. The project exceeded the end-target. **(IRI 2.5: Exceeded)**

## Rating

High

## OBJECTIVE 3

### Objective

Improve the quality of selected e-government services for public entities, and facilitate their access.

### Rationale

**Theory of Change.** The original PAD did not include an explicit ToC, but one was added in the ICR focusing on key project interventions and targeted outcomes at appraisal (ICR, Figure 1). PDO 3 aimed to improve the quality and access of selected e-government services for public entities and was to be measured by one indicator: PDO 3: Increased number of government's executing units managing electronic invoices received from their providers (PAD, p. 6).

These outcomes were to result from implementing a series of activities focused on improving the monitoring of payments to providers, as well as on provider management and government delivery systems and supporting cross-entity collaboration between the CGN, the MEF, and other entities with a direct link to MEF's priorities.

The project deployed electronic invoicing for government entities, streamlining the payment process and enhancing its efficiency. Electronic invoicing with businesses started in 2012, with 50.0 percent of tax receipts being electronic, but not all public entities were able to accept electronic receipts from their business providers. DGI was responsible for defining the regulatory and technical requirements for electronic invoices. The CGN was responsible for developing a system to receive electronic invoices for use by the budget executing units within the Government's Integrated Financial Management Information System (IFMIS) which is also interoperable with DGI's system. The project thus financed the development of the SIRFE and its deployment starting in late 2022, as well as the related training of users framed by change management activities. CGN set up a change management team that conducted a diagnostic of needs and worked hand-in-hand with a contracted firm to develop a resulting strategy which relied heavily on in-person communication and capacity building for the executing units.

By the end of the project, these reforms were expected to increase the number of government executing units that could accept electronic invoices from their providers.

### Outputs

The project delivered the following outputs (ICR, Key Outputs by Component, p. 29-31)



- Development and deployment of the SIRFE, training and establishment of a helpdesk.

### Outcomes

The achievement of the PDO was assessed using the indicators listed below (ICR, Annex 1).

**PDO Indicator 3.** Increased number of government executing units managing electronic invoices received from their providers (number). Baseline: 0 units. Target: 243 units (243 represents the total number of government's executing units operating within the SIIF). Actual: 156 units (64%) and 190 as of April 2024 (78%). The project partially achieved the end-target. **(PDO Indicator 3: Partially Achieved).**

By project end, 156 government executing units were able to receive electronic invoices against a target of 243. The rollout continued after the project closed through the Institution Strengthening for Greater Competitiveness Operation (P180638) which increased the PDO result to 190 executing units as of April 2024. Additionally, CGN was pursuing a more ambitious objective by providing approximately 100 entities with the capability to issue electronic invoices by incorporating an additional module in the SIRFE (ICR, para 30). Although the PDO Indicator 3 was only partially achieved at the time of the ICR review, it is likely to be achieved post project.

### IRIs

There were no **IRIs** that informed the achievement of the PDO (ICR, Annex 1).

### Rating

Substantial

## OVERALL EFFICACY

### Rationale

The project achieved most its development objectives. It exceeded targets for three out of four PDO indicators and eight out of ten IRIs, achieved targets for one IRI, and partially achieved targets for one PDO and one IRI. PDO Indicator 3, increased number of government's executing units managing electronic invoices received from their providers was partially achieved with 64 percent of its targeted change, but likely to be achieved post-project. IRI 2.2, increase in the percentage of administrative processes integrated into VUCE's platform was also partially achieved. Nonetheless, it is worth highlighting PDO 1.1, for which the target was very low, and the project only funded 79 percent of the targeted results (236 of the connections), and PDO 1.2, for which the target was surpassed because the approach to measure the indicator changed. In addition, IRI 1.2 and IRI 1.3 had low ambition targets given the total number of government entities. Finally, the *Trama Portal* facilitated more interactions than the end-of-project target, but remained a pilot and later came to a standstill. Government ownership played a key role in surpassing project targets.



## Overall Efficacy Rating

Substantial

### 5. Efficiency

**Economic Efficiency:** There was an Economic and Financial Analysis (EFA) prepared at the time of appraisal. On one hand, the EFA focused on future savings from reduced paper needs and time savings in invoicing resulting from the implementation of electronic invoicing for 25,000 estimated small and medium firms. The NPV was equivalent to US\$546,041 based on an internal rate of return (IRR) of 13 percent. Benefits were both financial in terms of reduced purchases of paper needed for invoicing as well as economic in terms of time saved by taxpayers through reduced travel costs. The cost analysis considered prior (pre-project) investments estimated at US\$1.5 million and project costs for the relevant activities (PAD, Annex 4, para 2).

On the other hand, the EFA focused on future savings from reduced time spent traveling, reduced travel costs, and reduced paper costs resulting from the automation of additional administrative processes online within VUCE. The NPV was equivalent to US\$875,202 based on an IRR of 14 percent. Benefits were both financial in terms of reduced purchases of paper and transport costs as well as economic in terms of time saved by those travelling to submit paperwork and are assumed to start accruing one year after project initiation. The cost analysis considered prior (pre-project) investments estimated at US\$2.5 million and project costs for all activities carried out with VUCE under the project (PAD, Annex 4, para 3).

The ICR replicated the EFA at project closure using conservative assumptions and the numbers achieved during implementation. The estimated costs and benefits for the introduction of electronic invoicing for small and medium sized taxpayers yielded a NPV of US\$9,084,356 with an IRR of 55 percent. The EFA assumed a much higher number of taxpayers being incorporated in the CFE (82,600). The calculated benefits are significantly higher than those estimated at appraisal. On the other hand, the estimated costs and benefits for the automation of additional administrative processes online within VUCE yielded a NPV of US\$1,140,644 with an IRR of 17 percent. The calculated benefits with the overall cost of developing VUCE with co-financing from the government and other sources are also significantly higher than those estimated at appraisal (ICR, p. 15).

On activities aimed to benefit citizens, CEIBAL estimated savings of between 20 to 30 percent annually for its operations between 2020 and 2022, given more automation and the introduction of additional digital channels of access to its customer service (ICR, para 33).

**Operational Efficiency:** The onset of the COVID-19 pandemic coincided with the transition between governments and led to the project stalling for 18 months. However, the impact of the lost time was mitigated by the 23-month extension and the delays did not significantly affect the achievement of the project's main objectives. Moreover, the government ensured a substantial amount of co-financing or financing from other sources, as the activities supported by the project and embedded within the Digital Uruguay Agenda were complementary to the Government and other development partners' efforts, but also due to incompatibilities between the WB and the government's procurement procedures (ICR p.13).

In their comments on the ICR (Annex 5), the government noted that WB procurement procedures may have been too rigid for parastatal entities, which, under national procurement rules, benefit from greater flexibility. These procedures may have contributed to delays, especially in activities involving innovation or exploratory work. The government recommended adopting procurement procedures similar to those used by public



agencies operating outside the government, such as ANII. This approach would allow for a more streamlined and agile workflow and a more efficient use of project resources.

Nevertheless, additional resources from the government and other development partners enabled the continuity of select activities deemed high priorities for the government, such as VUCE. Operational efficiency was not affected by the transition in governments and the pandemic.

The ICR did not report project management costs as percent of the total cost, which would have been helpful to analyze if costs were deemed reasonable when compared to country and regional averages (ICR, para 34).

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	.13	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	.55	0 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

### 6. Outcome

The PDO was of high relevance, and there were only minor shortcomings in the project’s achievement of its objectives and its efficiency. The overall outcome rating of the project is Satisfactory.

#### a. Outcome Rating

Satisfactory

### 7. Risk to Development Outcome

The risk to development outcome is low as the government remains committed to continuing and expanding e-government services, which are crucial to its digital agenda, and has ensured continued financing for the implementation of these initiatives despite external shocks, such as the pandemic, or domestic events, such as government transition periods. E-invoicing is now mandatory and irreversible. A follow-up project is enhancing the MEF’s capacity in data analytics, climate change governance, and market institutions. Citizen



adoption of e-services has increased significantly, driven by a preference for non-face-to-face interactions, especially during the pandemic.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The original project design benefitted from Uruguay's strong foundations for effective institutions and important previous advances in increasing connectivity and e-government services. The project design was also aligned with the country's Digital Government Plan, incorporating global best practices and provisions for successful implementation and complemented the government's previous reforms with other donors such as the IDB. The design benefitted from global thinking on increasing e-government service use through both supply-side (e.g., strengthening single window services) and demand-side interventions (e.g., multi-channel access and user feedback).

Financial management and procurement arrangements were deemed adequate at project appraisal, and included the use of existing country budgeting, audit and control systems and capacities within the MEF handling coordination.

The main design shortcomings were related to moderate weaknesses in M&E quality, and the missed opportunity to formally revise PDO indicator 1.2 to reflect the shift from mobile PACs to online channels due to the pandemic. The results framework did not include an indicator for the significant investment in standardizing government portals which consumed a significant proportion of the project's funds and was a significant contribution toward achieving the PDO. IEG also notes the project's design did not identify an appropriate indicator to measure PDO 1's outcome related to improved delivery of distance learning materials to targeted schools.

### Quality-at-Entry Rating

Satisfactory

### b. Quality of supervision

The WBG provided satisfactory supervision and demonstrated flexibility during the project's implementation, conducting regular support missions and adapting to the pandemic by shifting to virtual missions. There were 12 Implementation Status Reports (ISRs). The ICR noted ISRs highlighted key issues, but they could have offered more detailed narratives on progress and results (ICR, para 50). The project benefitted from stable leadership, with two Task Team Leaders over six years which helped coordination with the government authorities. The WBG showed adaptability by approving project extensions and redirecting funds as needed, and it supported the government in preparing a follow-up project to ensure continued progress.





However, The MTR was conducted late in the project's timeline, in January 2022—four years into implementation, after the original closing date of December 31, 2021, and only 18 months before the twice-extended final closing date of December 15, 2023.

The results framework was not revised, despite the increased allocation under Component 3 from reductions in Components 4 and 2 (ICR, para 16).

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

M&E design did not provide a ToC at appraisal. Nevertheless, the PDO indicators were generally adequate to monitor progress toward improved access to selected e-government services, except for PDO indicator 1.1 which was not adequate. PDO indicator 1.1 made it difficult to deduce the expected results on quality of distance education. Indeed, the ICR noted (ICR, para 43) that the quality dimension was not sufficiently captured at the PDO level but through several IRIs, and the relevance of the quality dimension was not always clear. This was especially true for the assessment of quality of the administrative e-services delivered to citizens (PDO 1). An increase in the number of users performing research online before carrying out an administrative process is not necessarily an indication of the quality of the services provided. Similarly, an IRI measuring the number of public entities using the government data analysis platform(s) to improve their management is not an indication of management improvement. In addition, the IRI related to the use of the Portal Timbó was not necessarily reflective of increased access for businesses given the platform's orientation towards academic users.

### **b. M&E Implementation**

M&E implementation was rated satisfactory throughout implementation due to proactive and regular data collection and reporting throughout project implementation. The PCU was adequately staffed and regularly submitted bi-annual progress reports to the WB (ICR, para 45). Implementation also benefited from the PCU's high capacity and experience in managing the WB-financed Institutions Building Technical Assistance Loan operation (which closed in 2016) and the agencies' experience in publicly reporting their activities and results on their websites.

On the shortcomings, the WB lacked proactivity in setting more ambitious targets once project indicators were surpassed.



### c. M&E Utilization

The M&E data was used to inform project management and decision making, but despite several end-targets being exceeded, no new targets were set. In the case of VUCE, the government and the WB decided to redirect project funds to other activities once the end target of increasing the number of administrative processes incorporated was met. More ambitious targets could have been set for the project indicators that were quickly surpassed.

### M&E Quality Rating

Substantial

## 10. Other Issues

### a. Safeguards

**Environmental/ Social Safeguards:** The project was classified under Category C (no assessment project) under the WB safeguard policies at appraisal, as it did not include any activities that involved environmental or social risks.

### b. Fiduciary Compliance

There were no key fiduciary issues in the implementation of key activities and procurement processes. Notwithstanding the delays in planning and implementing project activities during the pandemic, procurement steps were properly documented, and implementation progress updated in the WB's Systemic Tracking of Exchanges in procurement (STEP) platform regularly.

Financial Management (FM) and procurement performance were rated satisfactory throughout the project's lifetime. The PCU had adequate FM arrangements in place and provided timely and reliable financial reports to monitor project implementation (ICR, para 48).

### c. Unintended impacts (Positive or Negative)

**Institutional strengthening:** The project significantly enhanced the capacity of individual government institutions in Uruguay, contributing to the longer-term development of the country's public sector through a comprehensive approach. A key focus was strengthening the ability of institutions like AGESIC to deliver e-services, leading to more cost-effective and efficient innovations. The project also advanced the standardization of government web portals and supported initiatives like VUCE and e-invoicing, which improved efficiency and institutional capacity. Finally, the project broadened the role of institutions like ANII, helping them evolve from merely financing to facilitating access to research and innovation (ICR, para 37).

**Best practices:** AGESIC shared its project experiences at the 2023 WB GovTech Forum and with the Chilean government on digital health initiatives. Additionally, a new WB-financed project in the Dominican



Republic focused on public administration modernization (P180302) incorporated key lessons from this project, particularly in the use of interoperable systems, cross-institutional data exchange, and standardization, to accelerate the rollout of digital services (ICR, para 37).

**Other positive long-term impacts.** DGI reported that the expansion of e-invoicing, initially aimed at efficiency, was now significantly reducing errors and fraud through cross-verification and early detection, with most fraud traced back to paper invoices. E-invoicing data also enabled DGI to monitor the impact of the COVID-19 pandemic on businesses and sectors, aiding in the implementation of relief measures. CGN highlighted positive outcomes like the development of new functionalities in SIRFE, enabling public entities to issue e-invoices. CGN views SIRFE as a powerful tool for improving interoperability with tax and procurement platforms, enhancing public expenditure auditing and statistics. Additionally, the reduction in paper use from e-invoicing has had a positive environmental impact.

**d. Other**

N/A

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

IEG agrees with the lessons learned in the ICR, specifically on strategically leveraging complementary financing from development partners and other co-financing, and on the importance of change and knowledge management activities for the digital transformation.

**IEG proposes an additional lesson: Government commitment is one of the most critical components for project success.** Despite the COVID-19 pandemic and an 18-month standstill, Uruguay remained dedicated to its core objectives, such as bringing broadband internet to rural schools. This commitment not only addressed immediate educational needs but also laid the groundwork for future opportunities, highlighting the importance of continuity in policy and project implementation. Uruguay’s example shows that strong government dedication can overcome significant challenges and ensure the successful delivery of critical projects.



### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR presented a clear, coherent and well-organized overview of the project. The analysis provides sufficient evidence for assessing project performance. The report is concise, follows most of the guidelines, and is focused on results. The ICR lessons are useful and logically flow from the data and analysis provided in the ICR.

The evidence provided is aligned with the messages outlined in the ICR, although there were some shortcomings in the completeness and consistency of information, such as missing information on the MTR and data inconsistencies on the project's final cost as well as shortcomings in the interpretation of survey results.

The ICR failed to report project management costs as percent of the total cost, which would have been helpful to analyze if costs were deemed reasonable when compared to country and regional averages (ICR, para 34).

#### a. Quality of ICR Rating

Substantial