

OFFICIAL DOCUMENTS

LOAN NUMBER 8675-UY

Project Agreement

(Improving the Quality of Initial and Primary Education in Uruguay Project)

between

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

and

ADMINISTRACIÓN NACIONAL DE EDUCACIÓN PÚBLICA

Dated March 22, 2017

PROJECT AGREEMENT

Agreement dated March 22, 2017, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and ADMINISTRACIÓN NACIONAL DE EDUCACIÓN PÚBLICA (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between REPÚBLICA ORIENTAL DEL URUGUAY (“Borrower”) and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is its President.

- 3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Telex: Facsimile:

248423(MCI) or 1-202-477-6391
64145

3.03. The Project Implementing Entity's Address is:

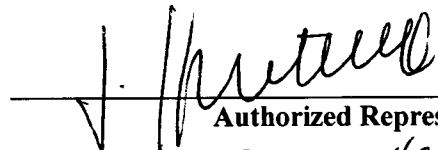
Consejo Directivo Central de la
Administración Nacional de Educación Pública
Avenida del Libertador 1409, Piso 3,
Montevideo, Uruguay

Tel: (598-2) 902-7965; 908-9428 Facsimile: (598-2) 902 3491

AGREED at Montevideo, Uruguay, as of the day and year first above written.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

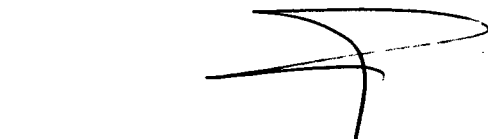
By



Authorized Representative
Name: JESUS HENTSCHEL
Title: DIRECTOR, Banco Brinkia,
LT

**ADMINISTRACIÓN NACIONAL DE
EDUCACIÓN PÚBLICA**

By



Authorized Representative
Name: WILSON NETTO HARTUROT
Title: Presidente Codicon - ANEP

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall carry out the Project in accordance with the provisions of the Operational Manual, which shall include, *inter alia*: (a) the structures, functions and responsibilities of the PCU; (b) the Project's chart of accounts and internal controls; (c) the format of: (i) the unaudited interim financial reports referred to in Section II.B.2 of this Schedule; and (ii) the financial statements referred to in Section II.B.1 of this Schedule; (d) the terms of reference for carrying out the Project audits under Section II.B.3 of this Schedule; (e) the monitoring indicators to evaluate the performance of the Project; (f) the Project's financial and institutional arrangements, including, *inter alia*: the flow of funds structure, and selection criteria for Full-Time Schools under Parts 1.1 and 2.1 of the Project; (g) the Environmental and Social Management Framework and the Resettlement Policy Framework; and (h) the arrangement for monitoring, evaluation, and reporting of Project implementation, including verification protocols to confirm DLI achievement.
2. The Project Implementing Entity shall exercise its rights and duly perform all its obligations under the Inter-Administrative Agreement. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not amend, suspend, abrogate, assign, terminate, waive or fail to enforce the Inter-Administrative Agreement or any provision thereof.
3.
 - (a) The Project Implementing Entity shall operate and maintain during Project implementation the PCU with a structure, functions and responsibilities satisfactory to the Bank, including, *inter alia*, its responsibility to assist the Project Implementing Entity in the coordination and implementation of the Project.
 - (b) The Project Implementing Entity shall ensure that the PCU is at all times headed by a Project coordinator and assisted by staff in adequate numbers, all with qualifications and experience acceptable to the Bank.
4.
 - (a) Not later than three (3) months after the Effective Date, the Project Implementing Entity shall enter into an agreement (the "Verification Agreement") with an agency with experience and qualifications acceptable to the Bank (the "Verification Entity"),

for purposes of assisting the Project Implementing Entity in the implementation of Part 4 of the Project (including, *inter alia*, the verification of compliance of selected DLIs), under terms and conditions acceptable to the Bank (as these are further detailed in the Operational Manual).

- (b) The Project Implementing Entity shall: (i) exercise its rights and carry out its obligations under the Verification Agreement in such manner as to protect the interest of the Borrower and the Bank to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, not amend, suspend, abrogate, terminate, waive or fail to enforce the Verification Agreement or any provision thereof.
- (c) In case of any conflict between the provisions of the Verification Agreement and those of the Operational Manual and/or this Agreement, the provisions of this Agreement shall prevail.

B. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

- 1. The Project Implementing Entity shall carry out or cause the Project to be carried out in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework.
- 2. The Project Implementing Entity shall ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

- 1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank and set forth in the Operational Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to

the Bank not later forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Bank as part of each Project Report, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity shall have its financial statements referred to in paragraph 1 above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.