

OFFICIAL  
DOCUMENTS

LOAN NUMBER 8778-UY

# **Loan Agreement**

**(Improving Service Delivery to Citizens and Businesses through E-Government Project)**

**between**

**REPÚBLICA ORIENTAL DEL URUGUAY**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

## **LOAN AGREEMENT**

Agreement dated as of the Signature Date, between REPÚBLICA ORIENTAL DEL URUGUAY (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of twelve million Dollars, (\$12,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.06. The Payment Dates are February 15 and August 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower, through MEF, shall carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Borrower has adopted the Operational Manual in a manner acceptable to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower’s Representative is its Minister of Economy and Finance.

5.02. The Borrower's Address is:

Ministerio de Economía y Finanzas  
Colonia No. 1089, Piso 3  
CP: 11100  
Montevideo, Uruguay

E-mail:  
[organismos.multilaterales@mef.gub.uy](mailto:organismos.multilaterales@mef.gub.uy)

Facsimile:  
(5982) 1712-2688

5.03. The Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Telex: 248423(MCI) or 64145(MCI)      Facsimile: 1-202-477-6391



## SCHEDULE 1

### Project Description

The objective of the Project is to improve the quality of selected e-government services for citizens, businesses and the Borrower's public entities, and facilitate their access.

The Project consists of the following parts:

#### **Part 1: Improving the Delivery of e-Government Services to Citizens**

- 1.1 Strengthening of AGESIC's e-government service provision through, *inter alia*:
- (a) The development and implementation of a national government data architecture in alignment with the Borrower's digital government plan including, *inter alia*: (i) the preparation of a preliminary design of a data architecture platform; (ii) the carrying out of a technical and regulatory framework assessment; (iii) the issuance of guidelines related to the Borrower's governance structure, security tools and data privacy protocols needed for the national data architecture platform; (iv) the carrying out of a pilot testing of the new data architecture platform; (v) the provision of support for the implementation of the data architecture platform across the Borrower's public entities; and (vi) the dissemination of lessons learned;
  - (b) (i) the design of new smart services to enable a proactive engagement with citizens; and (ii) the conceptual design and development of a business analytics and intelligence platform;
  - (c) (i) the development of a framework for citizen participation, transparency and oversight mechanisms to promote effective citizen engagement through electronic means; (ii) the acquisition and implementation of e-participation tools; and (iii) the development of an impact evaluation of the implemented tools;
  - (d) the provision of support for the implementation of the Borrower's digital government plan through the development and piloting of collaboration mechanisms between the Borrower's public entities and citizens to address key public challenges and boost the development of new smart and innovative public services; and
  - (e) the facilitation of access to government services and information, and the prioritization of access in remote areas, including, *inter alia*: (i) the acquisition and operation of a mobile unit for engagement with citizens on the use of e-services; and (ii) the design and implementation of a citizen outreach strategy and training.

1.2 Strengthening of Centro Ceibal's capacity to manage its e-learning programs through, *inter alia*:

- (a) the improvement of tools to manage users' customer service experience including: (i) the development of a proposal for a new customer service model; (ii) the development of a system for the registry of teachers' lessons and the personalization of course offerings; (iii) the development of a system to provide an integrated overview of educational centers; (iv) the design and implementation of a user self-management system; and (v) the automatization of multichannel customer services;
- (b) the provision of support for the establishment of a computer security incidence response team, including: (i) the carrying out of a diagnostic to deploy a cyber security response strategy; (ii) the definition of initial policies and procedures; and (iii) the provision of training to Centro Ceibal's personnel to manage the computer security incidence response team's operations;
- (c) the strengthening of Centro Ceibal's management and back-office systems through the development and implementation of new modules within the Borrower's enterprise resource planning system, including, but not limited to modules for e-invoicing, human resources management, budget management, framework agreements, procurement, supply planning and monitoring, and business intelligence;
- (d) the provision of support to improve Centro Ceibal's data management, including: (i) the identification of alternatives and strategies for data management; (ii) the design and implementation of an institutional data management policy and data management methodologies; (iii) the carrying out of an assessment of business intelligence needs; and (iv) the design and implementation of business intelligence tools to integrate various data sources and improve the analysis capacity of Centro Ceibal;
- (e) the provision of technical assistance and last-mile connectivity to the existing national broadband infrastructure to support the implementation of broadband internet access in approximately 300 rural schools, including, *inter alia*: (i) the carrying out of an *in-situ* design survey; (ii) the development of initial and detailed technical specifications; (iii) the acquisition of hardware and the configuration, assembly, and design of the installation strategy; and
- (f) the provision of support to strengthen Centro Ceibal's strategic planning capacity, including, *inter alia*: (i) the elaboration of an integrated technology roadmap to enhance strategic decision-making on the development, implementation, maintenance and retirement of technologies critical for service delivery; (ii) the carrying out of technical and academic activities; and (iii) the

elaboration of a human resource management strategy to enhance Centro Ceibal's service delivery.

**Part 2: Improving the Delivery of e-Government Services to Businesses**

2.1 Provision of support to improve export-related services for businesses through, *inter alia*:

- (a) the optimization of the administrative processes of the Borrower's public entities and institutions involved on international trade and which use VUCE, through the provision of technical assistance and training;
- (b) the institutional strengthening of VUCE, including its quality management system, through: (i) upgrading of VUCE's internal quality management system; (ii) obtaining international quality management certification ISO9001-2015; and (iii) improving VUCE portal's functioning;
- (c) the provision of support for the implementation of a new interoperability platform for international information exchange, including the carrying out of pilots related to the exchange of phytosanitary certificates and digital origin certificates with selected countries of the Latin America and the Caribbean Region in accordance with the criteria set forth in the Operational Manual; and
- (d) the provision of support for the expansion of VUCE's integrated platform coverage and the implementation of an administrative process re-engineering across the value chain for priority exports.

2.2 Provision of support for implementing e-invoicing for small and medium businesses through, *inter alia*:

- (a) the development and implementation of an e-invoicing system for small and medium taxpayers which are subject to the Borrower's electronic tax invoicing regime;
- (b) the enhancement of DGI's fiscal risk management system to enable the strategic planning of taxpayer compliance plans and programs, as well as the carrying out of audit case management in alignment with DGI's new organizational model; and
- (c) the provision of support for the operationalization of DGI's new governance model including, *inter alia*: (i) the design of a human resource management strategic plan to align staff competences with the new governance model; and (ii) the design and implementation of a training program to close capability gaps with DGI's new governance structure, organizational arrangements, tax administration procedures and computer systems.



2.3 Provision of support to improve access to specialized information to businesses through, *inter alia*:

- (a) the expansion of the services provided through Portal Timbó, including, *inter alia*: (i) the addition of business and scientific literature based on demand; (ii) the establishment of a national system of digital repositories to preserve and disseminate the Borrower's scientific output, including the definition of guidelines for streamlined filing and dissemination practices, and the creation of an interoperability layer integrating all databases of national universities and institutes; (iii) the carrying out of an assessment to inform the design of an online database for schoolbooks in Spanish; (iv) the development or acquisition of an information technology solution to launch an online database for schoolbooks and the fostering of its use through public outreach initiatives; (v) the expansion of access to scientific materials based on demand and following a structured testing process to validate take-up of new materials and achieve low per unit costs; and (vi) the design of a new version of Portal Timbó to improve its user-friendliness; and
- (b) the development of an online knowledge exchange platform containing: (i) a database of projects and ideas of potential interest to investors; (ii) a human resource registry to facilitate firms' access to the specialized labor force; (iii) social network capabilities to facilitate connections among ANII's stakeholders; and (iv) a section to disseminate the online knowledge exchange platform's objectives and results.

### **Part 3: Improving the Delivery of e-Government Services to Government Entities**

3.1 Enabling the receipt of electronic invoices by the Borrower's public entities through the provision of support to CGN, including: (a) the development of a system to receive and oversee electronic invoices generated by providers for use by all of the budget executing units within the SIIF; (b) the acquisition of the software and hardware needed for the system mentioned herein; (c) the installation of the system mentioned herein in about 243 executing units operating within the SIIF, including the provision of Training and the creation of a help desk.

3.2 Strengthening MEF's capacity to manage information through the provision of technical assistance for the production, processing, analysis and dissemination of information within MEF's priority areas and among other entities responsible for the implementation of activities related to such priority areas, including the strengthening of the national statistics system.

### **Part 4: Strategic Diagnostics, Activities and Knowledge Sharing, and Project Coordination**

Strengthening the Borrower's capacity to support strategic reforms in areas that are critical for the achievement of the Project's objective through, *inter alia*: (a) the carrying out of

activities to strengthen the Borrower's monitoring and evaluation capacity to carry out research and learn about the impact of Project activities on the take-up of the associated e-government services and identify potential future adjustments to improve their effectiveness; (b) the carrying out of knowledge sharing and learning activities to disseminate lessons learned on e-government service provision across the Borrower's public entities and internationally; (c) the provision of selected technical assistance, training and services for improving the quality of e-government services for citizens, business and the Borrower's public entities, and for facilitating their access; (d) the definition and implementation of change management strategies related to the areas addressed within the Project, including, *inter alia*: (i) the preparation of a risk assessment in the areas where new services are being launched to help prioritize interventions and develop well-targeted change management plans; (ii) the carrying out of specific stakeholder analyses; and (iii) the preparation of change management plans; and (e) the provision of support for overall Project coordination and management, including the strengthening and maintenance of the PCU with adequate fiduciary and implementation capacity.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower, through MEF, shall operate and maintain, during Project implementation, the Project coordination unit (the "PCU") with functions, staffing and responsibilities satisfactory to the Bank, including, *inter alia*: (a) a Project coordinator; (b) a monitoring and evaluation specialist; (c) a procurement specialist; (d) a financial management specialist; and (e) technical and administrative support personnel.
2. (a) The Borrower shall carry out the Project in accordance with the Operational Manual; such manual to include, *inter alia*:
  - (i) the procedures for carrying out, monitoring and evaluating the Project;
  - (ii) the final format of the Financial Statements, chart of accounts and the interim unaudited financial reports for the Project; and
  - (iii) the performance indicators to be used for monitoring and evaluating the implementation of the Project.
- (b) The Operational Manual may be amended by the Borrower from time to time with the prior approval of the Bank. In the case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

##### B. Anti-Corruption

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

##### C. Other Arrangements

The Borrower shall ensure that the terms of reference for any consultancy related to the technical assistance provided under Parts 1.1 (e), 1.2(e) and 4(a) of the Project, shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguards 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 Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than 45 days after the end of the period covered by such report.

**B. Financial Management, Financial Reports and Audits**

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower or another period agreed upon with the Bank (not exceeding 18 consecutive calendar months) when, due to Project circumstances, it is more cost effective to join periods to be audited, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

**Section III. Procurement**

All goods, 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.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such

instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Operating Costs, Training, goods, non-consulting services, and consulting services for the Project	10,971,000	100%
(2) Refund of the Preparation Advance	1,029,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>12,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) from the Loan Account (other than to repay the Preparation Advance) until the Bank has received payment in full of the Front-end Fee; or
  - (b) for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2021.

**SCHEDULE 3**

**Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each February 15 and August 15 Beginning August 15, 2022 through August 15, 2034	4%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
  - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and

outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

## APPENDIX

### Section I. Definitions

1. “AGESIC” means *Agencia para el Desarrollo del Gobierno de Gestión Electrónica y la Sociedad de la Información y del Conocimiento*, the Borrower’s Agency for the Development of Electronic Government Management and an Information and Knowledge Society, established pursuant to Article 72 of the Borrower’s Law No.17,930, dated December 19, 2005 and duly published in the Borrower’s Official Gazette on December 23, 2005, as amended by Article 80 of the Borrower’s Law No. 18,834, dated November 4, 2011 and duly published in the Borrower’s Official Gazette on November 17, 2011.
2. “ANII” means *Agencia Nacional de Investigación e Innovación*, the Borrower’s National Research and Innovation Agency, established pursuant to Article 256 of the Borrower’s Law No.17,930, dated December 19, 2005 and duly published in the Borrower’s Official Gazette on December 23, 2005, as amended by Article 1 of the Borrower’s Law No. 18,084, dated December 28, 2006 and duly published in the Borrower’s Official Gazette on January 7, 2007.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “Bank’s Safeguards Policies” means the Bank’s operational policies and procedures set forth in the Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36 and 4.37, as said manual is published under [www.WorldBank.org/opmanual](http://www.WorldBank.org/opmanual).
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Centro Ceibal” means *Centro Ceibal para el Apoyo a la Educación de la Niñez y la Adolescencia*, the Borrower’s Center for the Support of Childhood and Adolescence Education in charge of implementing Plan Ceibal, established pursuant to Article 2 of the Borrower’s Law No. 18,640, dated January 8, 2010 and duly published in the Borrower’s Official Gazette on January 26, 2010, as amended by Article 838 of the Borrower’s Law No.18,719, dated December 27, 2010 and duly published in the Borrower’s Official Gazette on January 5, 2011.
7. “CGN” means *Contaduría General de la Nación*, the Borrower’s General Accounting Office, which functions are established under Articles 37 and 43 of Borrower’s Law No. 16.736, dated January 5, 1996, and duly published in the Borrower’s Official Gazette on January 12, 1996, as amended by Article 15 of Borrower’s Law No. 17,213, dated September 24<sup>th</sup>, 1999, and duly published in the Borrower’s Official Gazette on October 7, 1999.



8. “DGI” means *Dirección General Impositiva*, the Borrower’s Directorate General of Taxation.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
10. “MEF” means *Ministerio de Economía y Finanzas*, the Borrower’s Ministry of Economy and Finance, or any successor thereto acceptable to the Bank.
11. “Operating Costs” means reasonable recurrent expenses (other than consulting services) directly related to the execution of the Project activities incurred by the Borrower through AGESIC, ANII, CGN, Centro Ceibal, DGI, VUCE and/or MEF, which would not have been incurred absent the Project, all as approved by the Bank, including, *inter alia*: rental and maintenance of equipment, vehicles and facilities, rental of office facilities, office utilities, and transportation costs and *per diem* of the Borrower’s staff assigned to Project supervision.
12. “Operational Manual” means the Borrower’s manual, acceptable to the Bank, referred to in Section I.A.2 (a) of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior approval of the Bank.
13. “PCU” means the Project Coordination Unit referred to in paragraph 1 of Section I.A.1 of Schedule 2 to this Agreement.
14. “Plan Ceibal” means the Borrower’s program for integration and equal opportunities aiming at providing support through the use of technology to the Borrower’s education policies.
15. “Portal Timbo” means ANII’s online tool which allows access to the latest global scientific and technical literature.
16. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank to the Borrower pursuant to the letter agreement signed on behalf of the Bank on March 8, 2017 and on behalf of the Borrower on May 2, 2017.
17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated June 29, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.
18. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016.
19. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement.

20. “SIIF” means *Sistema Integrado de Información Financiera*, the Borrower’s integrated financial information system.
21. “Training” means the reasonable expenditures (other than those for consulting services) incurred by the Borrower in connection with the carrying out of training activities (including workshops, conferences and seminars) under the Project, including travel costs, *per diem* of trainers and trainees, facilitators and stakeholders, and training materials.
22. “VUCE” means *Ventanilla Única de Comercio Exterior*, the Borrower’s foreign trade single window system established pursuant to Articles 378 through 381 of the Borrower’s Law No. 19,149 dated October 16, 2016 and duly published in the Borrower’s Official Gazette on November 11, 2013.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

  - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).
  - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 and a new paragraph 88 with the following definition of “Commitment Charge” and “Signature Date”, respectively, and renumbering the subsequent paragraphs accordingly:

“88. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement.”

“19. “Commitment Charge” means the commitment charge specified in the Loan

Agreement for the purpose of Section 3.01(b).”

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.
8. Any reference to “the date of the Loan Agreement” shall be modified with the term “Signature Date”.