

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

URUGUAY

**CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)
DIGITAL TRANSFORMATION FOR A SMART NATION
(UR-O1164)**

**FIRST INDIVIDUAL OPERATION
DIGITAL TRANSFORMATION FOR A SMART NATION I
(UR-L1198)**

LOAN PROPOSAL

This document was prepared by the project team consisting of: Pareja Glass, Alejandro (IFD/ICS), Project Team Leader; Vásquez Rossi, María Inés (IFD/ICS) and Bagolle, Alexandre (SCL/SPH), Alternate Project Team Leaders; Milicich Nieto-Polo, Allizon Patricia; Bendix, Willy (VPC/FMP); Nowersztern, Ariel; Hernández Carrion, José Luis; Abizanda Miro, Beatriz; Garcia Mejia, Mauricio; Pierrri Gonsebatt, Gastón; Aguirre De Mora, Florencia Ileana; Gonzalez Chacon, Marianna Jose (IFD/ICS); Dutra Herbert, Maria Belen (CSC/CUR); Avila, Krysia A. (LEG/SGO); Monje, Andrea (SCL/GDI); Polcaro Infanzon, Maria Sofia (CSD/CCS); Nelson, Jennifer (SCL/SPH); Fernández, Roberto (Consultant).

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2	Vertical logic annex
3	Program Operating Regulations
4	IDB's value-added
5	Climate change analysis

ABBREVIATIONS

ACRN	Autoridad Certificadora Raíz Nacional (National Root Certifying Authority)
AGESIC	Agencia de Gobierno Electrónico, Sociedad de la Información y el Conocimiento (Agency for Electronic Government and the Information and Knowledge Society)
CAP	Estudio de Conocimientos, Actitudes y Prácticas de Ciudadanía Digital (Study of Digital Citizenship Knowledge, Attitudes, and Practices)
CDA	Clinical document architecture
CGN	Contaduría General de la Nación (Office of the Comptroller General of the Nation)
DNMA	Diccionario Nacional de Medicamentos y Afines (National Dictionary of Medicines and Related Products)
EUTIC	Encuesta de Usos de Tecnologías de la Información y la Comunicación (Survey on Uses of Information and Communication Technologies), developed by AGESIC
FHIR	Fast Health Interoperability Resources
HCEN	Historia clínica electrónica nacional (national electronic health record)
HCEO	Historia clínica electrónica oncológica (oncology electronic health record)
ICB	International competitive bidding
ICT	Information and communication technology
IFD/ICS	Innovation in Citizen Services Division
INE	Instituto Nacional de Estadística (National Statistics Institute)
IRR	Internal rate of return
IT	Information technology
MDB	Multilateral development bank
MIMCIT	Mesa Interinstitucional Mujeres en Ciencia, Innovación y Tecnología (Interagency Board of Women in Science, Innovation, and Technology)
NCB	National competitive bidding
NPV	Net present value
SIIF	Sistema Integrado de Información Financiera (Integrated Financial Information System)
SOFR	Secured Overnight Financing Rate
SPI	Sistema de Préstamos Internacionales (International Loans System)
STEM	Science, technology, engineering, and mathematics
TCR	Tribunal de Cuentas de la República (Office of the Auditor General of the Republic)
TGN	Tesorería General de la Nación (General Treasury of the Nation)
UNDP	United Nations Development Programme

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Financial Terms and Conditions							
Borrower:				Flexible Financing Facility^(a)			
Eastern Republic of Uruguay				Amortization period:		25 years	
Executing agency:				Disbursement period:		3 years ^(b)	
The Borrower, through the Agencia de Gobierno Electrónico, Sociedad de la Información y el Conocimiento (Agency for Electronic Government and the Information and Knowledge Society)				Grace period:		5.5 years	
		CCLIP		First Operation		Interest rate:	
Source		Amount (US\$ millions)		%		SOFR-based	
		Amount (US\$ millions)		%		Credit fee:	
						(c)	
IDB (Ordinary Capital):		74		82		Inspection and supervision fee:	
		20		82		(c)	
Local:		16		18		Weighted average life:	
		4.4		18		15.25 years	
Total:		90		100		Currency of approval:	
		24.4		100		U.S. dollars	
Project at a Glance							
Objective of the CCLIP: The objective of the CCLIP is to contribute to greater efficiency in public management.							
Objective of the first individual operation under the CCLIP: The general development objective of the first individual operation is to enhance the efficiency of public sector service delivery. This will be achieved through the following specific development objectives: (i) reduce gaps in adoption of digital government services by agencies and the general citizenry; (ii) improve threat detection and incident response capabilities in Uruguayan cyberspace; and (iii) reduce the gap in adoption of digital services in the health sector.							
Special contractual conditions precedent to the first disbursement of the financing: (i) the program Operating Regulations have been approved on the terms agreed upon with the Bank; and (ii) the executing agency has provided evidence to the Bank that the program's general coordinator has been appointed on the terms agreed upon with the Bank (paragraph 3.5).							
Strategic Alignment							
Objectives:^(d)		O1 <input checked="" type="checkbox"/>		O2 <input checked="" type="checkbox"/>		O3 <input type="checkbox"/>	
Operational Focus Areas:^(e)		OF1 <input type="checkbox"/>	OF2-G <input checked="" type="checkbox"/> OF2-D <input checked="" type="checkbox"/>	OF3 <input checked="" type="checkbox"/>	OF4 <input type="checkbox"/>	OF5 <input type="checkbox"/>	OF6 <input type="checkbox"/> OF7 <input type="checkbox"/>

^(a) Under the terms of the Flexible Financing Facility (FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan and the last payment date, as documented in the loan contract.

^(c) The credit fee and inspection and supervision fees will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

^(d) O1 (Reduce poverty and inequality); O2 (Address climate change); and O3 (Bolster sustainable regional growth).

^(e) OF1 (Biodiversity, natural capital, and climate action); OF2-G (Gender equality); OF2-D (Inclusion of diverse population groups); OF3 (Institutional capacity, rule of law, and citizen security); OF4 (Social protection and human capital development); OF5 (Productive development and innovation through the private sector); OF6 (Sustainable, resilient, and inclusive infrastructure); and OF7 (Regional integration).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 The Uruguayan economy has recovered soundly from the recession of 2020, when GDP contracted 7.4% versus 2019 due to the pandemic, growing 5.6% in 2021 and 4.7% in 2022. This dynamic growth was interrupted in 2023 when the economy only grew 0.4%. The Ministry of Economy and Finance projects a recovery to 3.5% in 2024. Public finances improved from 2021 onwards as a result of a new fiscal institutional framework that helped cut the nonmonetary public sector fiscal deficit from 5.3% (2020) to 3.3% (2023) of GDP and public debt from 67.5% (2020) to 64.1% (2023) of GDP. Annual inflation, which had peaked at 9.9% in September 2022, began to decelerate to 3.8% in March 2024. The job market proved resilient in 2023, reaching the highest labor force participation and employment rates since 2016. The poverty rate, which rose to 11.6% in 2020, stood at 10.1% in 2023, remaining above the 8.8% recorded in 2019.
- 1.2 According to the 2022 United Nations e-Government Survey, Uruguay has a very high level of e-government development, ranking 35th in the world and first in Latin America and the Caribbean.¹ This progress is primarily attributable to two of the three pillars on which the indicator is based: (i) a robust connectivity infrastructure (91% of households have an Internet connection);² and (ii) the population's ability and willingness to connect to the Internet (in 2022, 83% of the population over age 14 reported using the Internet on a daily basis, and 62% of Internet users shopped online, although only 27% paid for public services online).³ In contrast, for the third pillar, which assesses online government services, Uruguay ranks 52nd in the world and seventh in the region. Compared to the 37 countries in the Organisation for Economic Co-operation and Development (OECD), Uruguay would rank 32nd.
- 1.3 Since 2008, the Government of Uruguay has stepped up investment in physical infrastructure and software to develop digital government services, with several notable products implemented in recent years: (i) interoperability platform; (ii) electronic file systems; (iii) digital registration of births and deaths; (iv) platform for the integration and consultation of citizens' health information (national electronic health record (HCEN)); and (v) expansion of the monitoring capacity of the Cybersecurity Operations Center and the Cybersecurity Incident Response Center.
- 1.4 **Institutional framework.** All these developments were led by the Agency for Electronic Government and the Information and Knowledge Society (AGESIC), which is responsible for the country's digital government policies and strategies. The agency reports to the Office of the President of the Republic and is supervised by an honorary steering committee, which sets policy and strategy guidelines. Specifically, it is responsible for providing the crosscutting digital services for the government, ensuring the quality of digital services for citizens and businesses, directing national cybersecurity policy, and advising and providing the Ministry of

¹ See <https://publicadministration.un.org/egovkb/en-us/Data-Center>.

² See [Survey on Uses of Information and Communication Technologies \(EUTIC\), 2022](#).

³ EUTIC 2022.

Public Health with information processing technologies for the national health system's.⁴

- 1.5 Notwithstanding these achievements and the good international positioning, challenges still persist, especially in the adoption of government-provided digital services, in AGESIC's effectiveness as the apex agency of the "online government" subsector and national cybersecurity policy, and in the HCEN's consolidation as an instrument for monitoring the population's health status and the health services provided.
- 1.6 **Problem and challenges.** The main problem identified is an efficiency gap in public sector service delivery. For example, citizens continue to face high costs when accessing public services due to the high proportion of in-person visits and the consequent need to travel to and wait at service centers. Indeed, there is still a significant proportion of government transactions that have not been digitalized: only 1,736 of a total 2,555 transactions inventoried (68%) can be performed online.⁵ Another example of the efficiency gap is evident in the health sector, where timely decision-making is constrained by incomplete patient summaries (only 1.2 million people (35% of the population) have a clinical event recorded in the HCEN that contains at least two of the seven fields considered mandatory or recommended by the International Patient Summary standard). This general problem is affected by the following specific problems:
 - 1.7 **Gap in adoption of digital services offered by AGESIC** both by citizens and agencies.⁶ This low level of adoption is evidenced by the fact that: (a) 46% of people who have completed transactions have had at least one in-person interaction;⁷ (b) only 190 of 280 national government agencies are using some sort of electronic file tool, and only 130 of these interoperate with other agencies; (c) no agency has yet adopted two or more of the document management tools made available by AGESIC; and (d) only 58% of government transactions or services initiated online were completed entirely online. The causal factors identified are as follows: (i) some agencies have not properly maintained the tools for online transactions and other solutions implemented with AGESIC's assistance or whose solutions do not meet the required standards; this indicates that the current governance model for the digitalization of Uruguay's public administration should be adjusted to empower AGESIC to directly control the sustainability of solutions and compliance with its guidelines and standards; assuming this more proactive role will in turn require a review of its service management model;⁸ (ii) some key

⁴ See [Decree 184/015](#), [Article 149 of Law 18,719](#), [Article 76 of Law 20,075](#), and [Article 77 of Law 20,212](#).

⁵ See [Uruguay Transaction Guide](#) (accessed 12 February 2024). The ratio between the operational cost of an in-person and a digital transaction ranges between 40 to 1 (see [La gestión de la identidad y su impacto en la economía digital](#), p. 12) and 1.67 to 1 (see [Economic Benefits of Public Service Digital Transformation: The Case of the City of Sao Paulo](#), p. 1), depending on the methodology and calculation assumptions. The latter study on services of the city São Paulo identified a cost ratio for citizens between in-person and digital services of 3.8 to 1.

⁶ An agency means the constituent divisions that make up the national government, principally ministries and their departments. Under this project, an agency is regarded as an entity that has autonomy in information technology (IT).

⁷ See [2022 Study of Digital Citizenship Knowledge, Attitudes, and Practices \(CAP\)](#), p. 10.

⁸ There is widespread evidence of a positive correlation between the quality of governance and IT management and the performance of public sector organizations. See, for example, Dias et al. (2021). [The Impact of IT Governance and Management on the Performance of Brazilian Public-Sector Organizations](#). This is particularly critical for an IT service provider like AGESIC.

documents still only exist in hard copy,⁹ and certain processes have been digitalized but not optimized; (iii) there are still varying levels of use of digital services based on age, education level, and disability (for example, although on average 27% of users paid for a government service online, 66% of those with a high education level did so, compared to only 8% of those with a low education level; however, in general no differences in usage by gender are detected);¹⁰ and (iv) the government's capacity to respond to a context of disruptive technological change is limited.

1.8 **The ever-evolving cyberthreat landscape**¹¹ renders the national cyberspace (infrastructure, systems, and data) insufficient in terms of threat detection and incident response capabilities, leading to a higher risk of loss of the confidentiality, integrity, and availability of digital services, with the consequent economic and reputational damage to the affected agencies and loss of user confidence. According to Economic Commission for Latin America and the Caribbean (ECLAC),¹² the average economic impact of a successful cyberattack was US\$4.24 million in 2021, with government and health sectors registering the highest number of incidents. Both the harm experienced and the fear of becoming a victim of attacks are factors that stunt demand for online services. Accordingly, they pose a threat to the adoption of the tools generated by Components 1 and 3 and, therefore, may hinder the achievement of the related specific objectives. The causal factors identified are: (i) limited centralized capacity to monitor, detect, and respond to incidents in systems due, inter alia, to the fact that monitoring has been limited to the perimeter, thus excluding the detection of events occurring inside agencies; (ii) limited cybersecurity culture and skills of users (only 58% of adults know how to configure privacy and security settings on websites or applications, and only 53% know how to install or update an antivirus program);¹³ (iii) weaknesses in cybersecurity management by agencies (evidenced by the fact that agencies have only adopted an average of 1.75 measures out of the 8 proactive cybersecurity management measures that AGESIC considers basic);^{14 15} (iv) gaps in the adoption of digital identification and signature (evidenced by the fact that only 22% of those who have a chipped identity card have used it to digitally complete a government transaction, that 76% of electronic identity authentications are performed with intermediate or advanced security, and that only 36% of adults have set up a user account for government transactions on the gub.uy website);¹⁶ and (v) limited supply of professionals trained in cybersecurity and very low women's participation (20% of the total number of people trained).

1.9 **Gaps in adoption of digital services in specific sectors of great importance to society.** In the health sector, in particular, this affects the quality and secondary use of data, making it difficult to monitor the health of the population and make

⁹ For example, birth certificates prior to 2012.

¹⁰ See EUTIC 2022.

¹¹ Incidents that were detected and responded to have risen steadily from 2,800 in 2020 to 4,970 in 2023. See [link](#).

¹² See Díaz, R. and G. Núñez 2023, [Ciberataques a la logística y la infraestructura crítica en América Latina y el Caribe, ECLAC, Santiago](#).

¹³ See EUTIC 2022.

¹⁴ See the [monitoring and evaluation plan](#) for a list of these measures.

¹⁵ A representative sample of 60 agencies was taken to make the average.

¹⁶ See the [2022 CAP](#).

public policy decisions. The causal factors identified are: (i) limited availability of medical events and structured clinical data (medical information is structured in specific minimum datasets for each type of health event or service; currently, there are only six minimum datasets);¹⁷ (ii) quality flaws in the data generated by providers¹⁸ and uploaded to the HCEN platform (in the last year, only 93.1% of the clinical document architecture (CDA) documents uploaded by providers—equivalent to 20.4 million CDA documents—passed the validation tests, whereas, given the criticality of the information, the percentage should be 100); (iii) lack of integration between the HCEN platform and the oncology patient and service management system, the oncology electronic health record;¹⁹ (iv) low adoption of the drug prescription and dispensing management system; (v) low uptake of telemedicine-related technologies, which is partly due to the lack of a regulatory framework for the use of telemedicine tools and technical guidelines for eventual registration in the HCEN platform; (vi) low use of data analytics for disease monitoring; and (vii) low adoption of the cybersecurity framework for the health sector.

1.10 Vertical logic and intervention strategy. With the aim of enhancing efficiency in the public service delivery, the program will engage in actions leading to greater public sector digital interaction with citizens and businesses and, within the public sector, improved operational e-management. This will result in lower management costs for all parties (shorter times, reduced travel costs, lower risk of loss of information, and better use of data). Component 1 will drive greater adoption of digital government services by citizens, businesses, and agencies, improve document management, and advance towards universal digital access. Among other actions, the management model for digital public services will be modified, since the current model does not facilitate a higher level of adoption or the sustainability of the implemented solutions. Component 2 will increase the security of electronic systems and databases to prevent service disruptions and theft of sensitive information, building overall confidence in digital services, both crosscutting services and services specific to the health sector. Work will also be done to strengthen human capital for cybersecurity. Lastly, through Component 3, the program will provide codified and high-quality information to the health sector's governing body, enabling real-time monitoring of morbidity and of the services provided to citizens, thereby contributing to the system's efficiency through relevant and timely health policy guidelines.²⁰

1.11 The Bank's experience in the country/region and lessons learned. Program preparation has taken into account lessons learned from similar Bank operations, in particular those that AGESIC is currently executing (paragraph 1.13). The lesson has been drawn from all three operations that market pressure for information technology (IT) human capital can disrupt program teams (with greater

¹⁷ Corresponding to the following events: nonurgent outpatient consultation, both external and at home; urgent consultation, both outpatient and prehospital; and hospital discharge, both at home and institutional.

¹⁸ Healthcare providers are both private and public entities that provide healthcare services to citizens. They play a role in the project because they upload the information about the health events they process to the HCEN platform. The guidelines and protocols provided by the project to transmit information to the HCEN platform are approved by the governing body (Ministry of Health), making them mandatory for providers.

¹⁹ The oncology electronic health record (HCEO) is a patient management software implemented as part of the e-Government Management Project in the Health Sector ([3007/OC-UR](#), US\$7 million, approved in 2013, closed) independently of the HCEN, which is used by 14 healthcare providers.

²⁰ See the program's vertical logic in [optional link 2](#).

intensity in the area of cybersecurity); accordingly, alternative contracting plans should be prepared that include, where possible, service delivery by firms (paragraph 2.6). The program for Strengthening Cybersecurity in Uruguay ([4843/OC-UR](#), US\$10 million, approved in 2019, 76% disbursed) has shown that making courses available is not enough to increase the proportion of women in training; an ongoing communication campaign is necessary (see output 2.11 in Annex II). Lessons have also been learned from nonregional experiences: (i) the importance of strengthening the lead agency for the government's digital transformation and its central role in interagency coordination to achieve effective adoption of crosscutting tools in all sectors (see output 1.13 in Annex II);²¹ (ii) the training of talent to ensure the availability of professionals and services (see output 2.10 in Annex II);²² and (iii) the importance of citizen-centered design based on principles such as the only-once principle,²³ which will be applied to all program-developed digital solutions and services.

- 1.12 **The Bank's added value in the digital transformation sector.** The Bank has supported digital transformation in Uruguay for over 15 years with a combination of reimbursable and nonreimbursable financial instruments and knowledge products.²⁴ For example, technical cooperation operations have supported human capacity-building in cybersecurity (by financing courses in advanced countries), and the adoption of international standards in medical records (within the framework of the Latin American and Caribbean Digital Health Network promoted by the Bank). During this period, Uruguay became a leader in digital development in Latin America and the Caribbean and has enabled the Bank to learn lessons used in projects in other countries of the region. This proposed credit line will build on and supplement previous support with a long-term program that takes what has already been achieved and seeks to enhance efficiency by focusing efforts on expanding digital adoption by users and across the public sector.

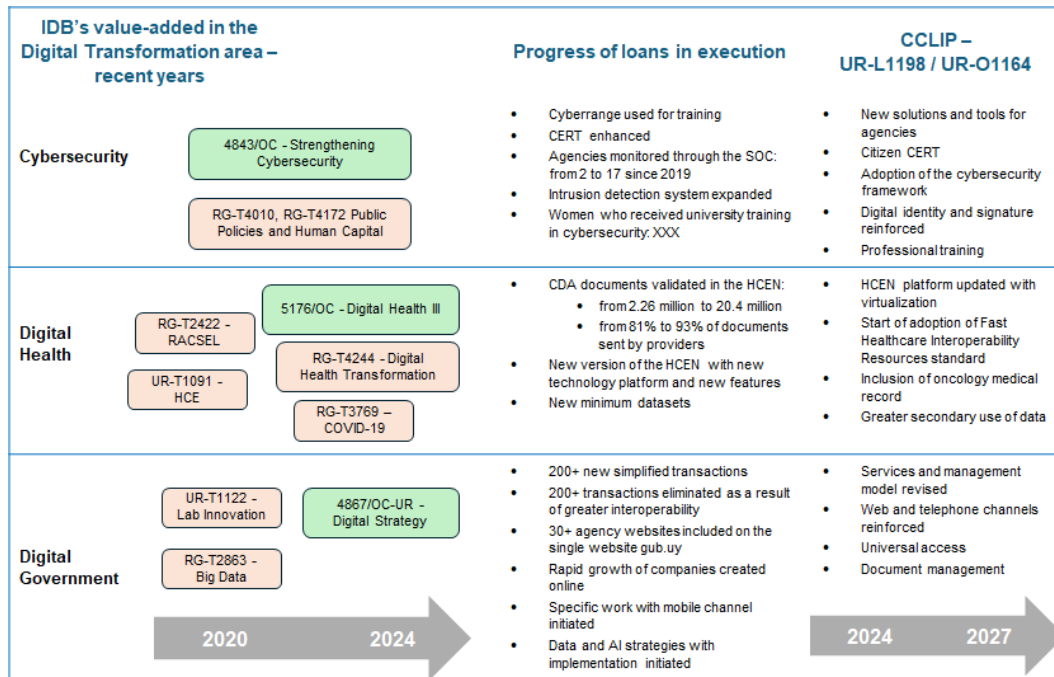
²¹ See [PCR 2591/OC-UR](#), paragraphs 4.11 and 4.12, and [Government Digital Transformation Guide](#), p. 19 et seq.

²² See [Government Digital Transformation Guide](#), p. 366 et seq.

²³ See [Government Digital Transformation Guide](#), p. 674. The once-only principle states that data entered into administrative records must be recorded only once, without replication. This means that for each piece of data a single agency is established as the data holder and that any other agency that needs to use the data must obtain it, through interoperability, from the owner agency. This avoids potential inconsistencies, generates efficiencies by avoiding multiple databases, and facilitates personal data protection. The principle also states that public administrations can only request personal data from the data subject once. If any agency requires such the data later on, it should be obtained from the public administration and not from the data subject.

²⁴ See [optional link 4](#).

Figure 1. Diagram of the Bank's value-added in the digital transformation sector



1.13 **Complementarity with other IDB Group operations and multilateral agencies in Uruguay.**

The operation complements the three programs now in execution: (i) Program to Support the Digital Government Strategy ([4867/OC-UR](#), US\$30 million, approved in 2019, 59% disbursed), which sought to enhance the quality and usability of online transactions through simplification and digitalization, but without achieving the expected levels of adoption; this program will complement it by focusing on expanding the adoption of digital government standards, solutions, and services, supported by a new digital governance model and the adoption of a government-as-a-service approach; (ii) Strengthening Cybersecurity in Uruguay (paragraph 1.11), which sought to strengthen the operational capacity of the Computer Emergency Response Team (CERT.uy) and generate a cyberattack simulation platform for training and capacity-building; this program will complement it by focusing on promoting public agencies' adoption of cybersecurity solutions and services and the adoption of the national cybersecurity framework; and (iii) e-Government Management Project in the Health Sector III ([5176/OC-UR](#), US\$7.35 million, approved in 2020, 85% disbursed); the HCEN platform built under that operation will be expanded and strengthened with a special focus on features that have seen relatively low adoption, as well as a focus on leveraging data for tracking diseases of particular concern among the population. It also complements the Fiscal Management Digital Transformation Program ([5783/OC-UR](#), US\$24.4 million, approved in 2023, 5.5% disbursed), which supports the national financial information system, the digital platform for state procurement, and the use of big data technologies in tax administration; the achievement of some of its outcomes and outputs (especially those related to electronic signature and cybersecurity) will benefit from the improvement actions in these areas to be pursued by this program. Moreover, the proposed work on technological innovation (see point (v) in paragraph 1.22) could be complemented by IDB Lab programs, particularly in testing innovative developments and

developing synergies with startups. Activities for critical infrastructure security may also benefit potential public infrastructure projects financed by IDB Invest. Lastly, AGESIC will coordinate with [UNESCO](#) under an agreement to support the updating of national strategies for data and artificial intelligence developed under operation [4867/OC-UR](#), which addresses artificial intelligence, data, digital citizenship, technological inclusion, and women and girls in STEM.

- 1.14 **The Bank's technical additionality.** This operation involves a series of innovative activities for AGESIC. Consequently, the program will benefit from the Bank's support at both the design and execution stages since it will facilitate the full adoption of international good practices, particularly from the most advanced countries outside the region. Of particular value in this regard will be the Bank's close relationship with public administrations at the global forefront of digital transformation, such as those of Spain, Israel, and Korea. This will improve the program's chances of success and the country's position on the online services index of the United Nations e-Government Survey (paragraph 1.2). Relevant innovative activities include: (i) the development of a new management and governance model for the digital transformation of the public sector, which will be the cornerstone to supporting actions towards greater adoption of digitalization and will be aimed at strengthening its role as lead agency and nimble service provider, so that more services reach citizens; (ii) new cybersecurity services and, in particular, the citizen incident response center; and (iii) migration to the Fast Health Interoperability Resources (FHIR) medical records standard to expand the adoption of patient summaries with structured data.
- 1.15 **Rationale for the CCLIP.** In line with the policy on conditional credit lines for investment projects (CCLIP) (GN-2246-13), the CCLIP instrument is justified because the program is complex and supports reaching long-term strategic objectives. The complexity arises from a problem that requires new organizational models and technological solutions to address them. To implement these solutions, the executing agency will have to interact with a large number of public sector agencies and private sector operators. In addition, the processes of adopting new models, processes, or systems in the public sector are, by their nature, long-term. Given the technology sector's rapidly changing dynamics, the program reflects the fact that successive short-term projects allow for the objectives and expected outcomes to be adjusted after each stage. The CCLIP is also an instrument especially designed for executing agencies with a strong track record of good performance, like AGESIC, to either maintain or further improve that performance.
- 1.16 **Strategic alignment.** The program is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631). In particular, the program is aligned with the objective to reduce poverty and inequality, by promoting gender equality and the inclusion of persons with disabilities (paragraphs 1.17 and 1.18); and with the objective to address climate change, by devoting 5.62% of the operation's resources to climate finance for mitigation, according to the [joint methodology of the multilateral development banks for tracking climate finance](#), since the servers purchased will meet energy efficiency criteria. It is aligned with the following operational focus areas: (i) gender equality and inclusion of diverse population groups; and (ii) institutional capacity, rule of law, and citizen security. It is also consistent with the Health Sector Framework Document (GN-2735-12) in its line of action to improve the quality and efficiency of services through digital

transformation in health. Furthermore, the program is aligned with the IDB Group Country Strategy with Uruguay 2021-2025 (GN-3056), particularly the strategic objective to “generate efficiencies and sustainability in public policies” (through its focus on greater digitalization of the public sector and a new governance model for the State’s digital services). Lastly, the operation is included in the 2024 Operational Program Report (GN-3207).

- 1.17 **Gender.** Despite the improved performance of Uruguayan women at all levels of education, there is still a significant gender gap in science, technology, engineering, and mathematics (STEM) courses of study. Gender gaps begin to show in secondary education: in 2017, adolescent girls accounted for 15% of students in computer science at technical schools and 34% of students in physics and mathematics in the sixth year of secondary school. At university level, women account for 34% of graduates with IT degrees,²⁵ compared to 70.4% in health.²⁶ In the job market this gap is also evident: in 2023, female labor force participation reached 56%, compared to 74% for men.²⁷ Women tend to be concentrated in lower-productivity and lower-paid jobs: only 31.2% of employees in the STEM sector are women,²⁸ whereas in care work they account for 94.5% of employees. Considering the support for the training of professionals in cybersecurity (digital talent) and the measures to promote women’s participation in this effort (paragraph 1.23 (v))²⁹—thereby contributing to increasing their income and closing gender gaps—the program is aligned with the Employment Action Framework with Gender Perspective (GN-3057; OP-2289-1) (Talent pillar, Category 1).
- 1.18 **Persons with disabilities.** Persons with disabilities feel more intimidated by the use of technology than other users mainly because “persons with disabilities have been excluded from media consumption and Internet usage due to the lack of accessibility in the content and in the technologies that transmit this content.”³⁰ In Uruguay, about 16% of the population reports having some kind of visual, hearing, motor, or learning disability.³¹ Information on digital divides and the use of technologies by persons with disabilities is scant. However, a study of a small group of visually impaired people in Uruguay found that 43% of visually impaired people reported using the Internet (versus 67% of non-visually impaired people). However, “when accessing the Internet, 91% of respondents say they use accessibility tools and/or devices.”³² AGESIC has found that none of the 20 most important government transactions for persons with disabilities is fully accessible.³³ Developing solutions that enable the use of universal accessibility features on

²⁵ See [Academic Training in ICT Data 2022](#).

²⁶ Interagency Board of Women in Science, Innovation, and Technology (MIMCIT) (2020). *Mujeres en ciencia, tecnología e innovación en Uruguay: un factor clave para avanzar la igualdad de género y el desarrollo sostenible*.

²⁷ National Statistics Institute (INE) (2023). *Ongoing Household Survey*.

²⁸ National Gender Council (2022). *Valemos igual*.

²⁹ This training is aimed at students or women already in the labor market in the IT sector. In 2022 there were 4,300 women enrolled in IT courses of study, and 8,500 working in the IT sector ([ICT sector in Uruguay](#)). This yields 12,800 women eligible for the courses to be supported by the program.

³⁰ Méndez, I. et al. (2021). *El acceso a Internet en personas con discapacidad visual*. Universidad Católica del Uruguay, Montevideo.

³¹ Freire, G. et al. (2020). *Social Inclusion in Uruguay*. World Bank, Washington, D.C.

³² Méndez, I. et al. (2021).

³³ See [Qualitative Report on the Digital Accessibility Workshop](#).

platforms and websites is key for persons with disabilities to be able to access them. The loan will finance the implementation of accessibility solutions to promote the digital inclusion of priority populations facing the greatest access barriers, such as persons with disabilities.

- 1.19 **Paris alignment.** This operation has been analyzed using the [Joint Multilateral Development Bank Assessment Framework for Paris Alignment](#) and the [IDB Group Paris Alignment Implementation Approach](#) (GN-3142-1). It has been found to be: (i) aligned with the adaptation target of the Paris Agreement and (ii) aligned with the mitigation target of the Paris Agreement based on a specific analysis. Alignment was based on consideration of the following factors: (i) as established in the program Operating Regulations, investments in equipment to be housed in data centers will meet energy efficiency criteria under Energy Star or equivalent certification; (ii) no cooling systems using hydrofluorocarbons will be financed; and (iii) the selected solutions are considered consistent with Uruguay's Nationally Determined Contribution and do not entail risks of committed emissions or transition risks.

B. Objectives, components, and cost

- 1.20 **Objective and features of the CCLIP.** The objective of the CCLIP is to contribute to greater efficiency in public management. The credit line will be sectoral, corresponding to the "Reform/Modernization of the State" sector, "Online government" subsector. It will focus on the digital dimension of public management transactions and may cover the digital transformation of specific national government sectors of the State, such as health. The CCLIP will have a total cost of US\$90 million, with Bank financing of US\$74 million. The duration will be up to 10 years. A total of three operations are foreseen, implementing different phases of progress in the adoption of digital government across the entire public administration. Subsequent operations are expected to continue working on challenges in crosscutting areas (digital governance and cybersecurity). The health sector's challenges would also continue to be addressed.³⁴
- 1.21 **Objectives of the first individual operation under the CCLIP.** The general development objective of the first individual operation is to enhance the efficiency of public sector service delivery. This will be achieved through the following specific development objectives: (i) reduce gaps in adoption of digital government services by agencies and the general citizenry; (ii) improve threat detection and incident response capabilities in Uruguayan cyberspace; and (iii) reduce the gap in adoption of digital services in the health sector.
- 1.22 **Component 1. Digital government (US\$11.4 million IDB and US\$2.5 million local).** This component will finance: (i) review and new version of the processes used by AGESIC to manage the model for services it provides to public institutions;³⁵ (ii) development of the digital governance model, to broaden the adoption of digital government standards, solutions, and services at the national

³⁴ As part of the CCLIP, if necessary, including another sector that has been identified as a priority will be evaluated.

³⁵ The review's goal will be to increase the effectiveness of the services provided to public institutions in order to increase coverage, quality, and ultimately, the adoption of digital services received by citizens. This is in line with recommendations arising from the institutional capacity assessment.

level and implementation of a government-as-a-service model;³⁶ (iii) actions to improve document management, process optimization, and evolution of citizen services channels with a special focus on key agencies or relatively lagging agencies;^{37 38} (iv) universal accessibility solutions to promote the digital inclusion of priority populations, including persons with disabilities, older adults,³⁹ and others; and (v) development and experimentation activities to promote technological innovation in the government sector.⁴⁰

1.23 Component 2. Cybersecurity (US\$4.9 million IDB and US\$1.1 million local).

This component will finance: (i) implementation of cybersecurity solutions and services provided by AGESIC to key public sector agencies and suppliers; (ii) implementation of cybersecurity support services for citizens; (iii) support for the adoption of Uruguay's cybersecurity framework by key public sector agencies and suppliers;⁴¹ (iv) improvements and the strengthening of mechanisms to promote greater use of digital identification and signature; and (v) support for the training of cybersecurity professionals, promoting women's participation by giving them priority in scholarships and implementing a recruitment plan.⁴²

1.24 Component 3. Digital health (US\$3.3 million IDB and US\$0.7 million local).

This component will finance: (i) evolution of the national electronic health record (HCEN), including the update of new services using the Fast Health Interoperability Resources standard and migration from hardware to software of devices connecting providers to the HCEN;⁴³ (ii) improvement of the quality of data in the HCEN in terms of accuracy and completeness and incorporation of the oncology medical record into the HCEN;⁴⁴ (iii) promotion of the adoption of the medication management system by providers; (iv) support for the implementation of new technologies, including telehealth; (v) improved secondary use of HCEN data; and (vi) promotion of the adoption of the cybersecurity framework in the health ecosystem.

³⁶ The concept of "government as a service" refers to the centralized management of a set of solutions that implement shared processes across agencies. A relevant output within this activity is the digital government observatory (see Annex II). This type of model is aligned with the recommendation arising from the institutional capacity assessment to adjust digital governance so as to facilitate the agencies' adoption of digital tools.

³⁷ Civil Registry, General Archive of the Nation, subnational governments, etc.

³⁸ The execution of several program activities, particularly (ii) and (iii) under this component, will require coordinated action between AGESIC and those agencies that will use the crosscutting tools or receive specific support for improvement of their services. AGESIC performs this type of coordination in the normal course of its operations, as reflected in interagency agreements (see [list](#)) under current laws and regulations (see paragraphs 2.6 and 3.4).

³⁹ Certain areas of work have been preidentified, such as mitigating the barrier of captchas for persons with disabilities; adding Uruguayan Sign Language to websites, digital services, and telecare, and the use of automated transcriptions from text to audio and animations.

⁴⁰ See details in output 1.12, [monitoring and evaluation plan](#).

⁴¹ This includes assessing and strengthening the protection of agencies' information infrastructure.

⁴² The recruitment plan will include events, the development of promotional material, and strategic partnerships with key actors. See further details in outcome 2.3, monitoring and evaluation plan.

⁴³ Developments include the incorporation of the HCEO. The aim is to make progress in structuring oncology information for all healthcare providers through a clinical document that can be reported to the HCEN.

⁴⁴ Both increased levels of structuring and data standardization and quality controls of the documents that providers send to the HCEN will contribute to better data quality.

1.25 **Administration costs.** Administration and evaluation and audit costs have been identified for US\$0.41 million from IDB funds and US\$0.09 million from local funds.

C. Key results indicators

1.26 **Expected outcomes.** The main expected impact is the savings for citizens and public entities through lower transaction costs, and for the health sector through lower treatment costs. To verify the degree of achievement of the specific objectives, the increase in the following outcome indicators will be monitored: (i) number of agencies that have adopted at least two of the document management tools made available by AGESIC; (ii) proportion of transactions or services performed fully online out of the total number of transactions or services that were active; (iii) average number of proactive measures for cybersecurity management adopted by the agencies; (iv) proportion of authentications through ID Uruguay using intermediate and advanced security levels; (v) proportion of women among the people who have taken a specific course on cybersecurity; (vi) number of clinical document architecture (CDA) documents structured and validated in the HCEN platform; and (vii) number of users who had clinical events registered in the HCEN platform that contain at least two fields corresponding to the sections defined as mandatory or recommended in the International Patient Summary standard.

1.27 **Beneficiaries.** The program's direct beneficiaries will be citizens, who will have a wider choice of digital services, which in turn will be more nimble, secure, and user-friendly.⁴⁵ Work on universal access to digital services will especially benefit persons with disabilities, while cybersecurity training will especially benefit women. Citizens will also indirectly benefit from increased efficiency across the State, greater protection of critical infrastructure, and the impact of digital transformation on the quality of health services.

1.28 **Economic evaluation.** For the project's [economic evaluation](#), two types of benefits were considered: (i) benefits in terms of government transactions as a whole, in which citizens and businesses benefit from savings in time and in the costs of travelling to agencies, since the transactions will be increasingly performed online; and (ii) benefits in terms of healthcare cost savings for patients suffering from stroke due to a lack of monitoring of their diseases or chronic conditions such as high blood pressure or diabetes.⁴⁶ Benefits were considered for an evaluation horizon of three years after completion of project implementation. Using conservative criteria, the project yields an internal rate of return (IRR) of 38.8%, with a net present value (NPV) of US\$10 million (at a 12% discount rate). The benefit-cost ratio is 1.53. The sensitivity analysis shows that, if citizens adopt

⁴⁵ At least 90% of people are Internet users (paragraph 1.2), and 76% have completed a transaction in the last year (see [CAP 2022](#), p. 10), so it can be assumed that 68% are Internet users and have completed a transaction in the last year, and 46% of them performed at least one step in person (paragraph 1.7). Consequently, 31% of the Uruguayan population (who use the Internet, complete transactions, and have been interacting in person) will benefit from greater availability and quality of digital transactions. This estimate is conservative since it only considers those who completed transactions in the last year.

⁴⁶ According to a [descriptive study of stroke patients in Uruguay](#), 85% had hypertension, 48% dyslipidemia (high cholesterol or triglycerides), and 35% diabetes. For the segment of elderly people, the epidemiological profile of Uruguay's population is characterized by a high prevalence of arterial hypertension (37%), hypercholesterolemia (22%), and diabetes (7.5%) ([National Survey on Noncommunicable Disease Risk Factors](#)). These conditions thus contribute significantly to the 4,700 strokes that occur annually in Uruguay, the cost of which is estimated at US\$29 million per year in hospital care costs alone.

online transactions less quickly, the IRR would be 15.9%, and the NPV US\$1.5 million; and, if citizens do not respond to proactive monitoring of their chronic noncommunicable diseases, the IRR would be 31.1%, and the NPV US\$7.7 million. The project therefore exhibits reasonable robustness in its expected economic return.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Amount and financing instrument.** The financing instrument of the first operation is a specific investment loan for US\$20 million from the Ordinary Capital, plus a local counterpart contribution of US\$4.4 million. The type of financial instrument is appropriate considering that the activities to be developed are well defined.

Table 1. Program estimated costs (US\$000s)*

Components	IDB	Local	Total	%
Component 1. Digital government	11,393	2,507	13,900	57.0
1.1. Review and new version of processes	1,295	285	1,580	6.5
1.2. Development of digital governance model	3,361	739	4,100	16.8
1.3. Actions to improve document management, process optimization, and evolution of citizen services channels	5,467	1,203	6,670	27.3
1.4. Universal accessibility solutions to promote digital inclusion	758	167	925	3.8
1.5. Development and experimentation activities	512	113	625	2.6
Component 2. Cybersecurity	4,918	1,082	6,000	24.6
2.1. Cybersecurity solutions and services for key agencies and suppliers	1,414	311	1,725	7.1
2.2. Cybersecurity services for citizens	340	75	415	1.7
2.3. Adoption of Uruguay's cybersecurity framework	1,291	284	1,575	6.5
2.4. Digital identification and signature mechanisms	1,627	358	1,985	8.1
2.5. Training of cybersecurity professionals	246	54	300	1.2
Component 3. Digital health	3,279	721	4,000	16.4
3.1. Evolution of HCEN	1,656	364	2,020	8.3
3.2. Improvement of the quality of data in the HCEN and incorporation of the oncology medical record into the HCEN	443	97	540	2.2
3.3. Promotion of the medication management system	295	65	360	1.6
3.4. Support for the implementation of new technologies, including telehealth	312	68	380	1.5
3.5. Improved secondary use of HCEN data	443	97	540	2.2
3.6. Promotion of the cybersecurity framework in the health ecosystem	131	29	160	0.7
Administration costs	410	90	500	2.0
Program management	287	71	358	1.5
Monitoring and evaluation	87	19	106	0.4
Audit	36	0	36	0.1
Total	20,000	4,400	24,400	100.0

* Amounts under the components are indicative.

- 2.2 The resources will be disbursed in a period of three years, as shown in Table 2. This period is based on the digital sector’s rapid evolution, which quickly leads to the obsolescence of adopted solutions and technologies and a need to review and adjust the digital strategy, whenever disruptive changes occur. These two factors constitute an intrinsic difficulty for the sector to formulate plans over medium- and long-term horizons.⁴⁷

Table 2. Disbursement projection (US\$000s)

Source	Year 1	Year 2	Year 3	Total
IDB	4,085	7,866	8,049	20,000
Local	899	1,731	1,770	4,400
Total	4,984	9,597	9,819	24,400
%	20.4	39.3	40.3	100

B. Environmental and social safeguard risks

- 2.3 Under the Environmental and Social Policy Framework (GN-2965-23), the operation was classified as Category “C” because it is expected to cause minimal or no negative environmental or social impacts. The environmental and social risk rating is low, and the disaster and climate change risk rating is also low.

C. Fiduciary risks

- 2.4 AGESIC has extensive experience in Bank-financed projects; accordingly, the operation’s overall level of fiduciary risk is regarded as low. In addition, the agency’s institutional capacity was assessed during program preparation, and a medium-high planning risk has been identified that, if in financial planning AGESIC fails to improve the estimated time required internally and for third parties involved in program execution and payment processing,⁴⁸ payments of eligible expenditures may not be executed within the estimated time frames, affecting the timely justification to the Bank of the disbursed advances and the period for program execution. This risk will be mitigated through flexibility in the percentage for justification of outstanding balances pending justification for advances (paragraph 3.8) and the use of financial plans showing liquidity needs for four months. In the program’s payment planning, AGESIC will also use a better estimate of the time required for the intervention of all parties (internal and external) participating in the program. The fiduciary team will continue the risk identification and management process during execution (see Annex III for details).

D. Other key issues and risks

- 2.5 A high human resources risk has been identified in relation to the possible difficulties in recruiting or retaining professionals and technicians with the

⁴⁷ Notably, AGESIC has demonstrated satisfactory execution capacity in prior loan operations. In the most recently completed operations ([3625/OC-UR](#) and [4300/OC-UR](#)) the threshold of 95% of the total expected disbursement amount was reached either before or at the same time as the original date of the last disbursement.

⁴⁸ The referenced third parties are, on the one hand, oversight agencies that must under Uruguayan law intervene in financial and procurement processes on an ex ante basis and, on the other hand, the agencies that support program execution as mentioned in paragraph 3.11. The times required by these third parties are often predictable.

- specialties required by the project, due to the pay differential between the public and private sectors. If realized, this risk could affect the timely completion of deliverables, thus affecting achievement of the project's physical and financial targets. To mitigate this risk, recruitment and retention incentives beyond remuneration will be enhanced, such as advanced courses at no cost for technicians to be provided by universities, technical education centers, or consulting firms to be engaged by AGESIC (outputs 1.13 and 2.10). In addition, selection processes will be revamped, to recruit new professionals in the shortest possible time. Consideration will also be given to contracting firms to provide equivalent services, where individual consultants cannot be retained or engaged (no additional funding required).
- 2.6 A medium-high institutional risk has been identified in relation to the possible resistance to change or lack of priority by public agencies and other actors linked to the project, which could affect the adoption of both the government-as-a-service model promoted by the executing agency and the systems implemented by the project. If realized, this risk would partially jeopardize achievement of the project's expected outcomes. To mitigate this risk, direct communication actions are planned at both the technical and policy levels, especially with the agencies most prone to this risk, in order to promote collaboration between the executing agency and the agencies (managerial activity with no additional funding required). It should be noted that collaboration with the agencies is always formalized through an agreement that sets out each party's roles and commitments.
- 2.7 Lastly, two medium-high technical design risks have been identified in relation to possibly low women's participation in the cybersecurity courses (which would affect the project's gender equality goals), and to possibly low adoption by persons with disabilities of the resources that will be developed to promote universal access to digital government services. To mitigate these risks, emphasis will be put on broad dissemination of the cybersecurity courses (output 2.11) and on the design and testing (prior to production) of universal access resources to be developed with real users (persons with disabilities) (output 1.9).
- 2.8 **Sustainability.** The crosscutting efficiencies that the project is expected to generate in the State apparatus will contribute to strengthening medium- and long-term financial sustainability. In addition, by enabling adjustments to the digital strategy in shorter periods, the CCLIP instrument will provide greater robustness in the face of the relatively rapid obsolescence of innovations in this sector. Beyond Bank financing, the systems to be designed and implemented are expected to be maintained by each agency involved and by AGESIC's own resources in its budget. AGESIC's maintenance of the systems and equipment developed or procured with Bank resources in the past has been highly satisfactory.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower will be the Eastern Republic of Uruguay. The executing agency will be the Eastern Republic of Uruguay, acting through the Agency for Electronic Government and the Information and Knowledge Society (AGESIC). All key program management processes will be executed by the functional organizational structure of the executing agency.

- 3.2 **Institutional capacity of the executing agency.** The Bank used the Institutional Capacity Assessment Platform to assess the executing agency, finding that the executing agency has sufficient capacity to execute the program and experience in public investment projects using Bank nonreimbursable funds. However, a need was identified for internal strengthening on which to base the new model for the adoption of digital services for the entire public sector. This strengthening will be supported by the implementation of a new governance model for digital services. This assessment also resulted in the identification of execution risks and their respective mitigating measures (paragraphs 2.5 and 2.6).
- 3.3 **Internal coordination mechanism.** The core functions (public services, information technology (IT), information security, information society, strategic planning, IT infrastructure and operations, and digital health) and support areas (project management, human resources, accounting and finance, procurement, legal, and institutional communication) have extensive experience in managing IDB-financed programs. There will be one coordinator appointed by the Executive Director of AGESIC, who will be responsible for: (i) preparing and supervising the implementation of annual work plans and procurement plans; (ii) preparing periodic monitoring reports on activities, outputs, and outcomes; (iii) ensuring that expense reports and disbursement requests are properly prepared for submission to the Bank; and (iv) implementing program evaluation actions. The coordinator will rely on the foregoing areas for correct and timely implementation of the project activities and will also ensure that the program is aligned with AGESIC's strategic objectives.
- 3.4 **Program Operating Regulations.** The program Operation Regulations will detail the operation's execution strategy and will include: (i) the program's organizational structure and technical and operational arrangements for execution (as provided in paragraph 3.3); (ii) the planning, monitoring, and results evaluation process; and (iii) guidelines for financial, procurement (as indicated in paragraph 1.19 with respect to energy efficiency), and audit processes. They will also contain either minimum guidelines or templates for agreements to be signed by AGESIC and the agencies that are specific beneficiaries of the program, setting out each party's responsibilities for the relevant activities.
- 3.5 **Special contractual conditions precedent to the first disbursement of the financing: (i) the program [Operating Regulations](#) have been approved on the terms agreed upon with the Bank, to support the executing agency's internal organization for successful implementation of the operation; and (ii) the executing agency has provided evidence to the Bank that the program's general coordinator has been appointed on the terms agreed upon with the Bank, to ensure the coordination of all key activities for program execution (paragraphs 3.3 and 3.4).**
- 3.6 **Fiduciary agreements and requirements.** Annex III reflects the financial management and procurement guidelines to be followed for program execution.
- 3.7 **Procurement.** The procurement of works and goods and the contracting of consulting services will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the IDB (GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15), or the country procurement system, if so indicated in the procurement plan and in the conditions applicable to the use of the country public

procurement system. The [procurement plan](#) lists the procurements to be implemented during execution and the procedures applied by the Bank to review them.

- 3.8 **Disbursements and audits.** Disbursements will be made mainly through the advance of funds modality or another modality established in the Financial Management Guidelines for IDB-financed Projects (OP-273-12). Financial plans showing liquidity needs for four months will be used for advances of funds. With the exception of the first advance of funds, subsequent advances will be processed upon justification of at least 70% of the total accumulated balances pending justification. AGESIC will use the National Treasury Single Account to manage program resources. AGESIC will deliver audited financial statements every year and at the end of the operation, under the terms and within the periods required by the Bank in its policies. The financial statements may be audited by an independent audit firm or by the Office of the Auditor General of the Republic (TCR) (see Annex III).
- 3.9 **Direct contracting.** Direct contracting and single-source selection will be conducted pursuant to paragraph 3.11(d) of document GN-2350-15, as follows: (i) Hospital Italiano de Buenos Aires for an amount of US\$350,000 to provide terminology services as part of development of the national electronic health record (HCEN), which will be essential to providing continuity for the incorporation and updating of clinical terms in the healthcare ecosystem and their adaptation to the specific requirements of Uruguay, since it is the only Spanish-speaking provider of such services; (ii) the firm Informedica S.R. for an amount of US\$250,000 to continue providing services in the National Dictionary of Medicines and Related Products (DNMA); and (iii) the firm Security Advisor S.A., under paragraph 3.7(c) of document GN-2349-15, for an amount of US\$50,000 to purchase warranty and support services for the hardware security modules of the National Root Certifying Authority (ACRN).
- 3.10 In addition, 24 individual consultants who were contracted with the resources of loans [4843/OC-UR](#), [4867/OC-UR](#), and [5176/OC-UR](#) are expected to be recontracted for a total amount of US\$2,800,000, chargeable against the loan proceeds, for the entire execution period of the operation. The consultants will be assigned exclusively to the program team and will be part of AGESIC's technical units. Specifically, they will develop and maintain the infrastructure, processes, and services that are indispensable to program execution. Fourteen will work on Component 1 activities, six on Component 2 activities, and four on Component 3 activities.⁴⁹ They were selected through competitive processes, and the renewal of their contracts is evaluated annually by AGESIC based on performance and results. The terms of reference and contractual terms and conditions of the consultants will remain similar; accordingly, the request meets the requirements of Section V, paragraph 5.4(a), of document GN-2350-15, which provides for single-source selection on the grounds of a continuation of previous work.
- 3.11 AGESIC has entered into agreements with the United Nations Development Programme (UNDP), Fundación Julio Ricaldoni, and Universidad Tecnológica de Uruguay for them to act as procurement agent in the context of projects

⁴⁹ See [procurement plan](#). When the program ends, those consultants still necessary to maintain the implemented systems will be retained with the executing agency's own funding, as has been done on previous projects.

[4843/OC-UR](#), [4867/OC-UR](#), and [5176/OC-UR](#). These agreements are expected to be expanded to allow these entities to assume the role of procurement agents in the context of the project for the contracting of consulting and nonconsulting services. The agreements will state that contracting by such entities will comply with the Bank's policies and procedures.⁵⁰

B. Summary of arrangements for monitoring results

- 3.12 **Monitoring by the executing agency.** The executing agency will deliver status reports to the Bank on a six-monthly basis, referencing outputs, outcomes, and costs incurred for the current or prior calendar year, as appropriate. On 30 November of each year, the executing agency will deliver the annual work plan for the following calendar year to the Bank. It will also submit updates to the procurement plan and the multiyear execution plan, as changes or additions are made to the existing plan. See [monitoring and evaluation plan](#).
- 3.13 **Evaluation.** The executing agency will deliver a report with the midterm evaluation of the project to the Bank within 90 days, once 24 months have elapsed after the effective date of the loan contract, or 60% of the loan has been committed, whichever occurs first. This evaluation may serve as input for adjustments to the implementation of the first operation, as well as for the preparation of subsequent individual loan operations under the CCLIP. The executing agency will also deliver a report with the final evaluation of the project to the Bank within 90 days, once the date for the last disbursement has passed, or the borrower, acting through the executing agency, has committed 90% of the loan proceeds, whichever occurs first. See [monitoring and evaluation plan](#).
- 3.14 The Bank will conduct supervision missions or inspection visits, and a joint monitoring meeting will be held between the Bank and the executing agency at least once a year to discuss, among other issues: (i) progress on implementation of the [annual work plan](#); (ii) the level of progress on the Results Matrix outcome and output indicators; (iii) the [annual work plan](#) for the subsequent year; (iv) the [procurement plan](#) for the next 18 months; and (v) the potential need to reallocate resources between components, to accommodate changes during implementation.

IV. ELIGIBILITY CRITERIA

- 4.1 **Eligibility criteria for the CCLIP.** The CCLIP satisfies the applicable eligibility requirements under the CCLIP policy (GN-2246-13) and its operational guidelines (GN-2246-15) since its objective is included within the priorities defined in the IDB Group Country Strategy with Uruguay, specifically the priority area of "public resource management" and the mandate of using digital technologies to overcome the challenge (see document GN-3056, paragraph 3.1) (paragraph 1.15).
- 4.2 **Eligibility criteria for the first operation to be financed under the CCLIP.** The first operation under the CCLIP satisfies the eligibility requirements under the CCLIP policy (GN-2246-13) and its operational guidelines (GN-2246-15) since: (i) a simplified assessment of the executing agency's institutional capacity was

⁵⁰ With the exception of the agreement with UNDP, where it may be agreed that UNDP will apply its own procurement framework, as foreseen in the Proposal for the Establishment of a Procedural Framework Agreement with the United Nations Development Programme (GN-3196-1), approved by the Bank on 12 February 2024.

performed, identifying areas for improvement and potential risks (paragraph 3.2); (ii) the objectives of the first operation contribute to the CCLIP's objective (paragraph 1.21); (iii) the loan operation falls under the sector defined in the CCLIP (paragraph 1.20); and (iv) the loan proposal includes the improvement actions identified in the institutional capacity assessment relating to the service delivery management, planning, and human resources model based on the institutional capacity assessment (paragraph 3.2).

Development Effectiveness Matrix		
Summary		UR-L1198
I. Corporate and Country Priorities		
Section 1. IDB Group Institutional Strategy Alignment		
Operational Focus Areas	-Gender equality and inclusion of diverse population groups -Institutional capacity, rule of law, citizen security	
[Space-Holder: Impact framework indicators]		
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3056	Generate efficiencies and sustainability in public policies
Country Program Results Matrix	GN-3207	The intervention is included in the 2024 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		7.9
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		1.6
3.3 Results Matrix Quality		3.8
4. Ex ante Economic Analysis		7.5
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		0.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Budget, Treasury, Accounting and Reporting, External Control. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Evaluability Assessment Note: The document presents an investment project that combines US\$20 million of IDB ordinary capital and US\$4.4 million of local contribution. The operation is the first operation of the CCLIP UR-O1164 that combines US\$74 million of IDB ordinary capital and US\$16 million of local contribution. The general objective of the CCLIP is to contribute to greater efficiency in public management. The general objective of the first operation is to increase efficiency in the delivery of public sector services. The operation will finance actions aimed at promoting the development of digital government, strengthening the cybersecurity capabilities of the public sector and citizens, and fostering the adoption of digital services in the digital health sector.

The project has a solid diagnosis, supported by evidence, that shows as the main problem efficiency gaps in the provision of services by the public sector, as well as in the health sector. This problem is related, in part, to gaps in the adoption of digital services offered by AGESIC, insufficient threat detection and incident response capacity in Uruguay's cyberspace, and gaps in the adoption of digital services in the health sector.

The results matrix is consistent with the vertical logic of the operation and presents reasonable, well-specified and adequate impact and results indicators to measure the achievement of the specific objectives. Targets require justification. The monitoring and evaluation plan proposes a reflexive evaluation (before and after methodology) for all indicators associated with the program's specific objectives. The cost-benefit analysis demonstrates that the investment is cost-effective.

The project obtained an Environmental and Social rating in category C, derived from the fact that minimal or no negative environmental or social impacts are expected. The project has an overall medium-low risk rating, highlighting four risks: (i) inadequate recruitment or retention of professionals and technicians with the specialties required by the project, (ii) resistance to digital transformation changes by public agencies, (iii) low participation of women in cybersecurity courses, and (iv) low adoption by people with disabilities of the resources to be developed to promote universal access to digital government services. Appropriate mitigation measures have been proposed and can be monitored throughout the project.

RESULTS MATRIX

Project objective	The specific development objectives for this operation are to: (i) reduce gaps in adoption of digital government services by agencies and the general citizenry; (ii) improve threat detection and incident response capabilities in Uruguayan cyberspace; and (iii) reduce the gap in adoption of digital services in the health sector. Achieving these objectives will contribute to the general development objective of enhancing efficiency in public sector service delivery.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline value	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: Enhance efficiency in public sector service delivery							
Savings for citizens and public entities through lower transaction costs, and for the health sector through lower treatment costs	US\$ millions, current	0	2022	2027	10.9	Corresponds to the savings of citizens in 2025, 2026, and 2027 from the effect of: (i) shorter time and lower travel costs for government transactions; and (ii) lower intensive care costs for the treatment of stroke patients.	The calculation methodology is described in the program's economic analysis document

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	End of project	Means of verification	Comments
Specific development objective 1: Reduce gaps in adoption of digital government services by agencies and the general citizenry									
1.1 Agencies that have adopted at least two of the document management tools made available by the Agency for Electronic Government and the Information and Knowledge Society (AGESIC)	Percentage of agencies	0	2023	5	14	27	27	Annual report of AGESIC's Digital Services Unit	See monitoring and evaluation plan
1.2 Proportion of transactions or services performed fully online out of the total number of transactions or services that were active	Percentage	58	2023	63	73	83	83	Annual report of AGESIC's Digital Services Unit	
Specific development objective 2: Improve threat detection and incident response capabilities in Uruguayan cyberspace									
2.1. Average number of proactive measures for cybersecurity management adopted by the agencies	Average number of measures adopted per agency	1.75	2023	1.90	2.05	2.20	2.20	Annual report of AGESIC's Cybersecurity Unit	See monitoring and evaluation plan
2.2. Proportion of authentications through ID Uruguay using intermediate and advanced security levels	Percentage	76	2023	79	82	85	85	Annual report of AGESIC's Cybersecurity Unit	

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	End of project	Means of verification	Comments
2.3. Proportion of women among the people who have taken a specific course on cybersecurity ¹	Percentage	20	2023	22	24	26	26	Annual report of AGESIC's Cybersecurity Unit	Pro-gender indicator. A "course" means technical degrees, specializations, diplomas, and other postgraduate courses offered by universities, university institutes, and vocational and professional training centers. The institutions currently offering these courses are national. ²
Specific development objective 3: Reduce the gap in adoption of digital services in the health sector									
3.1. Clinical document architecture (CDA) documents structured and validated in the national electronic health record (HCEN) platform	Millions of documents	20.4	2023	24	26	28	28	HCEN validation system	See monitoring and evaluation plan
3.2. Users who had clinical events registered in the HCEN platform that contain at least two fields corresponding to the sections defined as mandatory or recommended in the International Patient Summary standard	Thousands of people	1,194	2023	1,300	1,400	1,500	1,500	Data analytics system of AGESIC's Digital Health Unit	

¹ The women who will take these courses are students or work in the IT sector. The baseline was obtained from 2021, 2022, and 2023 data provided by AGESIC, which was, in turn, based on data reported by the educational institutions. The target estimate is based on the same data, as well as the more general context of women's 34% share of IT enrollment.

² For the launch workshop, in addition to reviewing the baseline and target value, an effort will be made to strengthen the indicator by supplementing it with data on the department of the country where the course was taught and the place where the students reside.

OUTPUTS

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Final target	Means of verification	Comments
Component 1. Digital government									
1.1. Digital government observatory developed	Version	1	2023	1	1	1	4	AGESIC management report and observatory reports	See monitoring and evaluation plan
1.2. Digital transformation projects executed at agencies	Project	0	2023	2	6	7	15	AGESIC management report	
1.3. Digital archive strategy developed	Strategy	0	2023	0	0	1	1	Strategy document	
1.4. Digital services implemented in the mobile channel	Service	0	2023	1	3	2	6	AGESIC management report	
1.5. Digital services developed in the Web channel	Service	0	2023	20	35	35	90		
1.6. Portfolio of crosscutting digital solutions evolved	Version	0	2023	1	3	2	6		
1.7. Government-as-a-service model implemented	Model	0	2023	0	0	1	1		
1.8. National digital citizenship plan actions implemented	Action	0	2023	5	5	5	15		
1.9. Universal accessibility solutions implemented to promote the digital inclusion of persons with disabilities, older adults, and others	Solution	0	2023	2	3	4	9	AGESIC management report	
1.10. Data and administrative record improvement projects implemented	Project	0	2023	1	4	4	9	AGESIC management report	
1.11. Services for the exchange of digital documentation implemented	Service	0	2023	3	6	6	15	AGESIC management report	
1.11.1 Protocol for exchange of digital documentation prepared	Protocol	0	2023	0	1	0	1	Protocol document	

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Final target	Means of verification	Comments
1.12. Projects based on emerging technologies implemented	Project	0	2023	1	2	3	6	AGESIC management report	See monitoring and evaluation plan
1.13. Phase 1 of AGESIC's institutional strengthening plan implemented	Phase	0	2023	0	0	1	1	Implementation report	
1.13.1 AGESIC's institutional strengthening plan prepared	Plan	0	2023	1	0	0	1	Plan document	
Component 2. Cybersecurity									
2.1. New cybersecurity services and tools for organizations implemented	Service	0	2023	1	1	1	3	AGESIC management report	See monitoring and evaluation plan
2.2. Global Security Operations Center and firewall systems	Service	0	2023	0	1	1	2		
2.3. National security incident response center for citizens in operation	Center	0	2023	0	1	0	1		
2.4. Critical public sector information infrastructure evaluated	Agency	0	2023	10	15	20	45		
2.5. Critical public sector information infrastructure strengthened	Agency	0	2023	2	8	10	20		
2.6. Operational good practices guides developed and published	Guides	0	2023	2	2	2	6	Publications of guides	
2.7. ID Uruguay digital identification services updated and promoted	Version	0	2023	1	1	1	3	AGESIC management report	
2.8. Gub.uy signature application incorporated in digital services	Service	5	2023	3	3	3	14		
2.9. New version of National Root Certifying Authority in operation	System	1	2023	0	0	1	2		
2.10. Technical and professional training of AGESIC internal and external staff provided	People	0	2023	80	80	80	240		
2.11. Plan to recruit women for cybersecurity training designed and implemented	Plan	0	2023	0	0	1	1	AGESIC management report	

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Final target	Means of verification	Comments
Component 3. Digital health									
3.1. Updated HCEN platform	Version	0	2023	0	1	1	2	AGESIC management report	See monitoring and evaluation plan
3.2. Oncology medical record included in the HCEN	Version	0	2023	0	0	1	1		
3.3. Extractor system to generate clinical information following the Fast Health Interoperability Resources standard using CDA documents, developed and tested	System	0	2023	0	0	1	1		
3.4. HCEN data analytics projects implemented	Project	2	2023	0	2	2	6		
3.5. Technological innovation projects implemented	Project	0	2023	0	1	1	2		
3.6. Medication management system with implementation under way	Stage	0	2023	0	0	1	1		
3.7. Cybersecurity framework adoption plan with implementation under way	Stage	0	2023	0	0	1	1		

Country: Uruguay **Division:** IFD/ICS **Operation number:** UR-L1198 **Year:** 2024

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Borrower, acting through the Agency for Electronic Government and the Information and Knowledge Society (AGESIC)

Operation name: Digital Transformation for a Smart Nation I. First individual operation under the Conditional Credit Line for Investment Projects (CCLIP) “Digital Transformation for a Smart Nation” (UR-O1164)

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of the country system in the operation

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input checked="" type="checkbox"/> Individual consultants	

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Specific features of fiduciary execution	Execution is planned through agreements with the United Nations Development Programme (UNDP) (linked to the three components) and with Fundación Julio Ricaldoni and Universidad Tecnológica del Uruguay (both linked to cybersecurity activities) with resources transferred (twice a year) to the aforementioned entities for execution of the consulting services for the components.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	The assessment using the Institutional Capacity Assessment Platform found a low level of risk for AGESIC’s overall fiduciary capacity. AGESIC has extensive experience in Bank-financed projects with an adequate organizational and administrative structure responsible for operation execution. The fiduciary arrangements and requirements established for this program are based on AGESIC’s history as an executing agency of loans in execution (4843/OC-UR , 4867/OC-UR , and 5176/OC-UR) with features similar to this operation and with a unqualified opinion on their audited financial statements.
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4. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk response
Planning	If in financial planning AGESIC fails to improve the estimated time required internally and for third parties involved in program execution and payment processing, payments of eligible expenditures may not be executed within the estimated time frames, affecting the timely justification to the Bank of the disbursed advances and the period for program execution.	Medium-High	Flexibility is proposed in the percentage for justification of outstanding balances pending justification for advances and the use of financial plans showing liquidity needs for four months. In the program's payment planning, AGESIC will also use a better estimate of the time required for the intervention of all parties (internal and external) participating in the program. Although the execution arrangements provide for the participation of external entities, AGESIC elects to use the same percentage justification as for the loans in execution: 4843/OC-UR , 4867/OC-UR , and 5176/OC-UR .

5. Policies and guidelines applicable to the operation: In financial management, document OP-273-12 or current guidelines. In procurement, the Policies for the Procurement of Goods and Works Financed by the IDB (GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15), or the country procurement system, if so indicated in the [procurement plan](#).

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

<p>Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the exchange rate to be used will be the rate stipulated in Article 4.10(b)(ii). For such purpose, the agreed exchange rate will be the rate in effect on the effective date on which the borrower, executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.</p>
<p>Type of audit: The program's audited financial statements will be delivered within 120 days after the close of the program's fiscal year, if audited by an independent audit firm acceptable to the Bank, or within 180 days after the close of the program's fiscal year, if audited by the Office of the Auditor General of the Republic (TCR). The last such audited financial statements will be delivered within 120 days after the date of the last disbursement, or as extended, if audited by an independent audit firm acceptable to the Bank, or within 180 days after the date of the last disbursement, or as extended, if audited by the TCR.</p>

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	<p>Bidding documents</p>	<p>Works, goods, and nonconsulting services procured under the Bank's procurement policies (GN-2349-9) and requiring international competitive bidding (ICB) will use the Bank's standard bidding documents or those agreed upon between the executing agency and the Bank for the specific procurement. Consulting services will be selected and contracted in accordance with the consultant selection policies (GN-2350-15) using the standard request for proposals issued by the Bank or a request for proposals agreed upon between the executing agency and the Bank for the specific selection. The project sector specialist will be responsible for reviewing the technical specifications and terms of reference for procurements during the preparation of selection processes. This technical review may be ex ante and is independent of the procurement review method.</p>
<input checked="" type="checkbox"/>	<p>Use of country systems</p>	<p>As approved by the Bank's Board of Executive Directors, the following country procurement subsystems will be used:</p> <ul style="list-style-type: none"> (a) All public works contracts with amounts below the threshold set by the Bank for the use of ICB for works (US\$5,000,000); (b) All goods and nonconsulting services contracts with amounts below the threshold set by the Bank for the use of ICB for goods and nonconsulting services (US\$5,000,000); (c) All consulting contracts for firms with amounts below the threshold set by the Bank for the use of international short lists for the selection of consulting firms (US\$200,000); and (d) All individual consulting contracts. <p>The operation's procurement plan will indicate the procurements to be executed using the country system within the approved scope. If the scope of Board approval for use of the country system is expanded, it will be applicable to the operation.</p>
<input checked="" type="checkbox"/>	<p>Direct contracting and single-source selection</p>	<p>Single-source selection will be conducted pursuant to paragraph 3.11(d) of document GN-2350-15, as follows: (i) Hospital Italiano de Buenos Aires for an amount of US\$350,000 to provide terminology services as part of development of the national electronic health record (HCEN), which will be essential to providing continuity for the incorporation and updating of clinical terms in the healthcare ecosystem and their adaptation to the specific requirements of Uruguay, since it is the only Spanish-speaking provider of such services; (ii) the firm Informedica S.R. for an amount of US\$250,000 to continue providing services in the National Dictionary of Medicines and Related Products (DNMA); and (iii) the firm Security Advisor S.A., under paragraph 3.7(c) of document GN-2349-15, for an amount of US\$50,000 to purchase warranty and support services for the hardware security modules of the Autoridad Certificadora Raíz Nacional (National Root Certifying Authority) (ACRN).</p> <p>Individual consultants: the procurement plan provides for 24 individual consultants who were previously contracted with the resources of loans 4843/OC-UR, 4867/OC-UR, and 5176/OC-UR and will continue providing services for this operation to be recontracted for a total amount</p>

		<p>of US\$2,800,000, chargeable against the loan proceeds, for the entire execution period of the operation. The consultants will be assigned exclusively to the program team and will be part of AGESIC's technical units. Specifically, they will develop and maintain the infrastructure, processes, and services that are indispensable to program execution. Fourteen will work on Component 1 activities, six on Component 2 activities, and four on Component 3 activities. They were selected through a competitive process, and the renewal of their contracts is evaluated annually by AGESIC based on performance and results. The terms of reference and contractual terms and conditions of the consultants will remain similar; accordingly, the request meets the requirements of Section V, paragraph 5.4(a), of document GN-2350-15, which provides for single-source selection on the grounds of a continuation of previous work.</p> <p>AGESIC has entered into agreements with the United Nations Development Programme (UNDP), Fundación Julio Ricaldoni, and Universidad Tecnológica de Uruguay for them to act as procurement agent in the context of projects 4843/OC-UR, 4867/OC-UR, and 5176/OC-UR. These agreements are expected to be expanded to allow these entities to assume the role of procurement agents in the context of the project for the contracting of consulting and nonconsulting services. The agreements will state that contracting by such entities will comply with the Bank's policies and procedures.¹</p>								
<input checked="" type="checkbox"/>	<p>Special procurement provisions applicable to the operation</p>	<p>In view of the fact that the country has adequate laws and regulations on the procedures to allow offerors to examine the bids and access the bidding documents, and in view of the fact that this practice is regulated (Articles 65 and 67 of the Accounting and Financial Administration Code, as well as Law 18,381), AGESIC may make use of such laws regulations in this operation, adapting the relevant sections in the bidding documents to be used, which must have the Bank's prior no objection.</p>								
<input checked="" type="checkbox"/>	<p>Procurement supervision</p>	<p>The supervision method will be ex post, except where ex ante supervision is justified. For procurements executed using the country system, supervision will be conducted using the country supervision system. Use of the (i) ex ante, (ii) ex post, or (iii) country system supervision method will be determined for each selection process. Ex post reviews will be conducted annually, according to the project supervision plan, subject to change during execution. Ex post review reports will include at least one visit. The thresholds for ex post review are as follows:</p> <table border="1" data-bbox="496 1621 1377 1759"> <thead> <tr> <th data-bbox="496 1621 716 1705">Executing agency</th> <th data-bbox="716 1621 935 1705">Works</th> <th data-bbox="935 1621 1154 1705">Goods/Services</th> <th data-bbox="1154 1621 1377 1705">Consulting services</th> </tr> </thead> <tbody> <tr> <td data-bbox="496 1705 716 1759">AGESIC</td> <td data-bbox="716 1705 935 1759">5,000,000</td> <td data-bbox="935 1705 1154 1759">200,000</td> <td data-bbox="1154 1705 1377 1759">200,000</td> </tr> </tbody> </table>	Executing agency	Works	Goods/Services	Consulting services	AGESIC	5,000,000	200,000	200,000
Executing agency	Works	Goods/Services	Consulting services							
AGESIC	5,000,000	200,000	200,000							

¹ With the exception of the agreement with UNDP, where it may be agreed that UNDP will apply its own procurement framework, as foreseen in the Proposal for the Establishment of a Procedural Framework Agreement with the United Nations Development Programme (GN-3196-1), approved by the Bank on 12 February 2024.

Main procurements

Procurement description	Selection method	Estimated date	Estimated amount (US\$)
Goods			
Procurement of servers	ICB	04/01/2026	1,100,000
Nonconsulting services			
Warranty and support for the ACRN hardware security modules	Direct contracting	30/04/2026	50,000
Purchase of business process management software with the development of crosscutting services.	ICB	01/01/2026	500,000
Veeam licenses and warranties	ICB	04/01/2026	500,000
Firms			
Use of terminology services	Single-source selection	10/01/2026	350,000
Individuals			
Project management team for the operation	Single-source selection of individual consultants	01/01/2026	2,800,000

To access the procurement plan, see [link](#).

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	<p>Programming and budget</p>	<p>The budget will be managed through the Integrated Financial Information System (SIIF) as part of the national budget and approved by the Budget Law for the five-year term of the government administration, considering that only the 2025 budget replicates the 2024 budget. Reprogramming and budget extensions are prepared by the executive branch in the accounting report and annual budget execution balance with due justification. AGESIC will consider the times set by the Ministry of Economy and Finance as the approving authority in the procedure to include the project's budget in the General Budget of the Nation and to make amendments to the project's budget that entail increasing the allocations under the law.</p> <p>The IDB-sourced 2025 allocated budget of around US\$12 million is maintained. The budget for 2026 onwards will be defined when the next five-year budget has been approved.</p>
<input checked="" type="checkbox"/>	<p>Treasury and disbursement management</p>	<p>The National Single Treasury Account will be used, for which the General Treasury of the Nation (TGN), at the request of the program coordination unit, will open a special account at the Central Bank of Uruguay to receive Bank resources. If authorized by the TGN, a project-specific bank account will be opened at Banco de la República Oriental del Uruguay for program payments. The currency for management of the operation will be U.S. dollars, and the exchange rate to be used is identified in Section II. Disbursement requests will be processed via the client portal (or current means). The preferred disbursement method will be advances of funds. Financial plans showing liquidity needs for four months will be used. Justification of at least 70% of the total accumulated balances pending justification is planned because: (i) the central government entities, to which AGESIC belongs, must have funds in an account at the Central Bank of Uruguay for the commitment of new obligations; (ii) the execution arrangements provide for the transfer of resources to other entities; and (iii) payment processing requires the prior involvement of the TCR and the Office of the Comptroller General of the Nation (CGN) (OP-273-12, Annex 1, paragraph 3.3, criteria (c) and (d)).</p>
<input checked="" type="checkbox"/>	<p>Accounting, information systems, and reporting</p>	<p>AGESIC uses country systems: the SIIF, which is used to allocate and execute the approved budget appropriations for the program; the International Loans System (SPI) for the program's accounting records and issuing the financial reports/formats required for submission to the Bank; and the Faro government resource planning software as a management system that connects to the procurement system. The policies and guidelines applicable to the operation will be supplemented by a manual or similar document will be used with the documented definition of workflows and internal controls.</p>

☒	Internal control and internal audit	The country system is kept as the basis under current legal regulations. AGESIC has reported that it does not have an internal audit unit. Considering AGESIC's experience as an executing agency, a manual or similar document will set out the applicable framework for financial management following the Bank's guidelines and instructions and complemented by the financial processes that govern AGESIC under applicable local regulations.
☒	External control and financial reports	<p>External control is expected to be exercised by the TCR, which is Bank-eligible, as it does in operations where AGESIC is the executing agency. However, an independent audit firm may also audit the program. The project will be audited pursuant to terms of reference previously agreed upon with the Bank. The cutoff dates and delivery deadline are given in section II. The additional time for the TCR is due to the TCR's internal process for approval of the audited financial statements issued prior to submission to the Bank, the executing agency, and the General Assembly.</p> <p>Importantly, under the Accounting and Financial Administration Code, the TCR's prior involvement is required for all expenditures related to project execution.</p>
☒	Financial supervision of the operation	<p>This plan may be adjusted based on program execution and external audit reports.</p> <p>Planned activities include: monitoring of program progress and instruments, review of disbursement requests, and visits (in-person or virtual).</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/24

Uruguay. Conditional Credit Line for Investment Projects (CCLIP)
Digital Transformation for a Smart Nation (UR-O1164)

The Board of Executive Directors

RESOLVES:

1. To authorize the President of the Bank, or such representative as he shall designate, to enter into such agreement or agreements as may be necessary with the Eastern Republic of Uruguay to establish the Conditional Credit Line for Investment Projects (CCLIP) Digital Transformation for a Smart Nation (UR-O1164) (the "Line") for an amount of up to US\$74.000.000 chargeable to the resources of the Ordinary Capital of the Bank.

2. To establish that the resources allocated to the Line shall be used to finance individual operations under the Line, in accordance with: (a) the objectives and regulations of the Conditional Credit Line for Investment Projects approved by Resolution DE-58/03, as amended by Resolutions DE-10/07, DE-164/07, DE-86/16 and DE-98/19; (b) the provisions set forth in documents GN-2564-3 and GN-2246-13; and (c) the terms and conditions included in the proposal for the corresponding individual operation.

(Adopted on ___ _____ 2024)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/24

Uruguay. Loan ___/OC-UR to the Eastern Republic of Uruguay. Digital Transformation for a Smart Nation I. First individual operation under the Conditional Credit Line for Investment Projects (CCLIP) Digital Transformation for a Smart Nation (UR-O1164)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Eastern Republic of Uruguay, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the program Digital Transformation for a Smart Nation I, which constitutes the first individual operation under the Conditional Credit Line for Investment Projects (CCLIP) Digital Transformation for a Smart Nation (UR-O1164) approved by Resolution DE-___/24 on _____, 2024. Such financing will be for the amount of up to US\$20,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2024)