Loan Agreement

(Modernization of Government Services Project)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated November 28, 2017
LOAN AGREEMENT

Agreement dated November 28, 2017, between REPUBLIC OF MOLDOVA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — BANK'S GENERAL CONDITIONS; DEFINITIONS

1.01. The Bank's General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Bank's General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of five million Dollars ($5,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the Bank's General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment
continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the Bank’s General Conditions.

2.06. The Payment Dates are April 1 and October 1 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the Bank’s General Conditions, and shall be effected in accordance with the provisions of Article IV of the Bank’s General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the eGovernment Center to carry out the Project, in coordination with the State Chancellery, all in accordance with the provisions of Article V of the Bank’s General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) The eGovernment Center has failed to perform any of its obligations under the Subsidiary Agreement.

(b) The eGovernment Center Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely in the opinion of the Bank the ability of the eGovernment Center to perform any of its obligations under the Subsidiary Agreement.

4.02. The Additional Events of Acceleration consist of the following:

(a) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

(b) The event specified in paragraph (b) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Borrower, through the MOF and the State Chancellery, and the eGovernment Center.

(b) The Operational Manual, satisfactory to the Bank, has been adopted by the eGovernment Center and the State Chancellery.

(c) The Borrower has issued amendments to the Regulation on the Council of e-Transformation Coordinators (Government Decision No. 222 of April 1, 2014 on the Creation of the Council of e-Transformation Coordinators), all in a manner satisfactory to the Bank.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower, through the MOF and the State Chancellery, and the eGovernment Center and is legally binding upon the Borrower and the eGovernment Center in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Finance.

6.02. The Borrower’s Address is:

Ministry of Finance
Constantin Tănăse Street, 7
MD-2005 Chisinau
Republic of Moldova

Facsimile: (37322) 262517

6.03. The Bank’s Address is:

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

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Chisinau, Moldova, as of the day and year first above written.

REPUBLIC OF MOLDOVA

By

[Signature]

Authorized Representative

Name: Octavian Armusu

Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Name: Anna Akhalkatsi

Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to improve access, efficiency and the quality of delivery of selected government administrative services of the Borrower.

The Project consists of the following parts:

Part 1: Administrative Service Modernization

1.1 Business Process Reengineering: Redesign of at least twenty-one central administrative services provided by the Borrower’s government to citizens and businesses, through:

(a) the carrying out of an inventory of existing services;

(b) the carrying out of a comprehensive analysis including legal, technical, administrative, and procedural steps;

(c) the preparation of “to be” process maps, requirements and work plan for reengineering services for delivery through a digital platform;

(d) the creation of service standards for each service simplified under the Project, including the development of a methodology to design and measure service standards in a uniform manner;

(e) the development of supporting documents to implement the “to be” process maps; and

(f) the development of monitoring, evaluation and reporting systems to measure the impacts of reengineering.

1.2 Reform Management and Coordination: Development of capacity for reform management, development of a coordination mechanism, and support for change management, through:

(a) the provision of technical assistance for reform management and a functioning coordination mechanism;

(b) the provision of technical assistance for change management, including, inter alia, the development and implementation of a change management strategy and action plan;
(c) the provision of leadership training and support for institutional communication; and

(d) the preparation of social inclusion and citizen engagement checklists, to ensure compliance by selected government services in regard to social inclusion and citizen engagement requirements.

1.3 Access Points Expansion for Central Government Electronic Services: Facilitation of access to government administrative services at the local level through the creation of CUPS windows across the Borrower’s territory, and support for capacity building to promote citizen-centered facilitation services at CUPS, through:

(a) the development of a feasibility study for CUPS;

(b) the piloting of CUPS through different delivery systems;

(c) the evaluation of the pilots’ results;

(d) the development of an institutional framework for CUPS;

(e) the roll out of CUPS at the national level;

(f) the establishment of a unified call center for citizens, businesses and government entities to access information on services, support requests, resolve problems and solicit feedback to improve government administrative services and make them more accessible for all types of vulnerable groups; and

(g) the refurbishment of existing facilities that will house the CUPS to provide a consistent look and better conditions for citizens, excluding any building remodeling or roof replacement as further detailed in the Operational Manual.

1.4 Citizen Feedback and Outreach: Mainstreaming of citizen-centric approaches and socially inclusive citizen engagement in the Project, through:

(a) the carrying out of an annual customer survey to measure citizen satisfaction with the services provided through the CUPS and the unified call center, as well as electronic services more generally;

(b) the development of regular on-line and off-line citizen feedback mechanisms as routine procedures to evaluate the citizen-centric redesign, quality, accessibility and responsiveness of government administrative services;
(c) the development of on-line and off-line gender-sensitive and socially inclusive life scenarios combining relevant services into groups for citizens' convenience;

(d) the carrying out of a comprehensive, socially inclusive, and gender-sensitive public awareness campaign; and

(e) the provision of hands-on training for service-provider staff on specific topics related to electronic governance platforms and services.

**Part 2: Digital Platform and Services**

2.1 **Digital Services:** Digitization of reengineered government administrative services, through:

(a) the development of methodology for government administrative services digitization;

(b) the digitization of at least fifteen government-to-citizen and government-to-business services that have undergone reengineering under the Project; and

(c) the carrying out of quality assurance and user acceptance testing of digitized services.

2.2 **Digital Platforms:** Support for eGovernment digital infrastructure, through the upgrading of the existing digital infrastructure, and extension of its functionality.

2.3 **IT Management and Cyber Security:** Support for a government-wide standardized approach to a full cycle of IT management and cyber security, through:

(a) the development of government IT management and cloud security processes and standards, and their implementation across the Borrower's government;

(b) the development and implementation of a cyber security awareness program for citizens; and

(c) capacity building for government agencies.
Part 3: Services Delivery Model Implementation

3.1 Institutional Capability Development: Alignment of required capabilities, structures and human resources to the improved and digitized business processes of government administrative services reengineered under the Project, through:

(a) the carrying out of institutional capability reviews, assessing the capacity development needs in line with the new model of service delivery;

(b) the alignment of organizational structures and staffing to the revised business processes and needs; and

(c) the provision of technical assistance for effective management of staffing adjustments, such as reassignment of staff, training, prequalification, natural attrition (including retirement), and early retirement.

3.2 Capacity Development: Development of an effective learning and development system focusing on the needs of the new model for government administrative services, through:

(a) the strengthening of the learning and development system for government service delivery;

(b) the development of the internal training capacity through internal trainers’ development and creation of training packages in classic and electronic learning format;

(c) the provision of training on citizen-centric service redesign and customer service (including gender aspects and awareness of the needs of socially vulnerable groups), and the effective internal use of digital platforms by civil servants involved in the delivery of services reengineered and digitized under the Project; and

(d) the provision of training for staff employed in CUPS.

3.3 Performance Enhancement in Service Delivery: Incorporation of institutional performance objectives and indicators in managers’ and employees’ performance assessment systems, through:

(a) the development of institutional performance frameworks that cover objectives and performance indicators at the institutional level, and the periodic completion of social inclusion and citizen engagement checklists that can be cascaded to structural units;

(b) the development of a performance management system for CUPS staff;
(c) the development of a mechanism for review and continuous improvement; and

(d) training of managers and staff for effective performance management.

**Part 4: Project Management**

4.1 **Project Implementation Unit**: Support for the PIU staff responsible for the fiduciary aspects of the Project, including, *inter alia*, preparation of budgets, procurement plans, detailed bidding documents, bid evaluation reports, contract management, disbursement and financial management.

4.2 **eGovernment Center Management**: Provision of technical assistance to support the implementation of the Borrower’s government services modernization reform.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall cause the eGovernment Center to maintain, throughout Project implementation:

   (a) the PIU, with a structure, responsibilities (including, but not limited to, responsibility for the fiduciary aspects of the Project), and key staff with functions, experience, responsibilities, qualification, and financing acceptable to the Bank and set forth in the Operational Manual; and

   (a) other staff possessing skills, qualifications and experience satisfactory to the Bank, and in adequate numbers for Project implementation, which staff shall include without limitation (and as further described in the Operational Manual), a Director/Chief Technical Officer, and other staff as the Borrower and the Bank may consider necessary and desirable for the Project.

2. The Borrower shall maintain, throughout Project implementation:

   (a) the eGovernment Center Board, which shall serve as the Project’s Steering Committee, with composition and responsibilities satisfactory to the Bank and set forth in the Operational Manual;

   (b) an inter-agency coordination council for government administrative services modernization, which shall serve as the technical coordination body for the Project, with composition and responsibilities satisfactory to the Bank and set forth in the Operational Manual; and

   (c) the National Council on Public Administration Reform, established in September of 2015, which will oversee implementation of the public service reform under the Project, with composition and responsibilities satisfactory to the Bank and set forth in the Operational Manual.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the eGovernment Center under a subsidiary agreement ("Subsidiary Agreement") between the Borrower, through the MOF and the State
Chancellery, and the eGovernment Center, under terms and conditions approved by the Bank, which shall include the following:

(a) the obligations of the Borrower, through the MOF, to:

(i) promptly authorize the eGovernment Center to access, on a grant basis, the proceeds of the Loan to finance the carrying out of the Project; and

(ii) make available counterpart funding to finance eGovernment Center core staff and the CTS;

(b) the obligations of the Borrower, through its State Chancellery, to:

(i) support the implementation of Part 3 of the Project as set forth in the Operational Manual; and

(ii) initiate the process to institutionalize the results of the government services reform modernization;

(c) the obligations of the eGovernment Center to:

(i) carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, economic, financial, and environmental practices, and in accordance with the provisions of the Loan Agreement, the Subsidiary Agreement, the Anti-Corruption Guidelines, and the Operational Manual;

(ii) carry out the financial management, procurement, monitoring, and evaluation aspects of the Project, including the obligation to:

(A) ensure that all goods and services to be financed out of the Loan are procured in accordance with the provisions of the Loan Agreement;

(B) ensure that adequate policies and procedures are maintained to enable it to monitor and evaluate, in accordance with indicators acceptable to the Bank, the progress of the Project and the achievement of its objective;

(C) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources
and expenditures related to the Project; (2) have such financial statements audited by independent auditors acceptable to the Bank, and promptly furnish the statements so audited to the Bank; and (3) make such audited financial statements publicly available in a timely fashion and in a manner acceptable to the Bank; and

(D) maintain adequate staffing throughout Project implementation;

(iii) promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under the Subsidiary Agreement;

(iv) To take or permit to be taken all actions to enable the Borrower to comply with its respective obligations referred to in this Agreement and/or the Subsidiary Agreement, as the case may be.

2. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate or fail to enforce the Subsidiary Agreement or any of its provisions. In case of any inconsistency between any provision of the Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

C. Operational Manual

1. The Borrower, through the eGovernment Center, in coordination with the State Chancellery, shall carry out the Project in accordance with the provisions of a manual ("Operational Manual"), which shall include the rules, methods, guidelines, standard documents, and procedures for the carrying out of the Project, including but not limited to the following:

(a) a detailed description of all Project implementation activities, their sequencing and the prospective timetable and benchmarks in relation thereto;

(b) the selection criteria for the central administrative services to be reengineered under Part 1.1 of the Project;

(c) the financing plan for the Project, including the cost allocation for each Part of the Project and the source of funding;
(d) the Project’s administrative, financial, accounting, auditing, procurement, and disbursement procedures, including all relevant standard documents;

(e) the models for proposals and bid evaluation reports and for short lists preparation, for goods, minor works, non-consulting services and consultants’ services (as the case may be);

(f) the environmental checklists and procedures for the minor refurbishment works under Part 1.3 (g) of the Project;

(g) the plan for the monitoring, evaluation and supervision of the Project, including the monitoring indicators for the Project referred to in Section II.A.1 of this Schedule;

(h) the social management strategy for the Project; and

(i) the institutional and administrative mechanisms established to ensure inter-institutional coordination.

2. In the event of conflict between any provision of the Operational Manual and this Agreement, the terms of this Agreement shall prevail.

3. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

D. Anti-Corruption

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

E. Safeguards

1. The Borrower shall, and shall cause the eGovernment Center to:

   (a) take measures to minimize the effects of the service reengineering and digitization activities under Parts 1.1 and 2.1 of the Project on government administrative service employees. Such measures shall include, inter alia, reassignment to other positions, training and prequalification for other positions which may be needed in the modernized service delivery system, relying on natural attrition including retirement, and exploring options for early retirement of eligible staff;

   (b) promptly inform the Bank of any proposed redundancies that may be deemed necessary as a result of Project implementation, prior to taking any action in connection thereto; and
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(c) manage the risk of individual dismissals in accordance with the applicable labor law, civil servants law, any existing collective labor agreements and other applicable national legislation, as well as good international practice acceptable to the Bank.

2. In the event that collective redundancies (i.e., redundancies of such scope so that, in the Bank’s opinion, they have a significant impact in any government administrative service unit) become necessary as a result of Project implementation, the Borrower shall prepare, prior to taking any action in connection thereto, retrenchment plans satisfactory to the Bank, and thereafter implement such plans in accordance with their respective terms.

3. The Borrower shall establish and implement, throughout Project implementation, an easily accessible grievance redress mechanism, acceptable to the Bank, to address feedback and grievances related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause the eGovernment Center to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the Bank’s General Conditions and on the basis of indicators acceptable to the Bank and set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the Bank’s General Conditions.

2. The Borrower shall cause the eGovernment Center to prepare and furnish to the Bank as part of the Project Report, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall cause the eGovernment Center to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the Bank’s General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited
Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works, and Non-consulting Services. All goods, works, and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works, and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works, and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in paragraph B.3 of this Section; (b) Shopping; and (c) Direct Contracting.

3. Without limitation upon the provisions of paragraphs B.1 and B.2 of this Section, and Section I and paragraphs 3.3 and 3.4 of the Procurement Guidelines, the procurement procedure to be followed for National Competitive Bidding shall be the Open Bidding Procedure set forth in the Law on Public Procurement No. 131 dated July 3, 2015, as further amended on July 1, 2016, September 23, 2016 and October 3, 2016 (the “PPL”), provided, however, that such procedure shall be subject to the following additional provisions:
Eligibility: Eligibility to participate in a procurement process and to be awarded a Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Procurement Guidelines.

Registration of Contractors and Suppliers: Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid, and a foreign bidder recommended for contract award shall be given a reasonable opportunity to register, with the reasonable cooperation of the Borrower, prior to contract signing.

Participation of Joint Ventures: Participation of Joint Ventures shall be allowed and all its members shall be jointly and severally liable for the entire contract.

Bidding Documents: Bidding documents acceptable to the Bank shall be used, and shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines.

Qualification: Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a "pass or fail" basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder's or prospective bidder's capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant, (iii) capability of construction and/or manufacturing facilities. Prequalification procedures and documents acceptable to the Bank shall be used for large, complex and/or specialized works. The verification of the information upon which a bidder was prequalified, including current commitments, shall be carried out at the time of contract award, along with the bidder's capability with respect to personnel and equipment. In the procurement of goods and works where pre-qualification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

Cost Estimate: The detailed cost estimates shall be confidential and shall not be disclosed to prospective bidders. The cost estimate will include all
taxes including Value Added Tax (VAT). No bids shall be rejected on the basis of comparison with the cost estimates without the Bank’s prior written concurrence.

(g) **Bid Submission and Bid Opening:** Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to bidders unopened. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Bank with respect to contracts subject to the Bank’s prior review.

(h) **Bid Evaluation:** Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. Contracts shall be awarded to the qualified bidder whose bid has been determined: (i) to be substantially responsive to the bidding documents; and (ii) to offer the lowest-evaluated cost. No negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted. A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(i) **Rejection of All Bids and Re-bidding:** All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Bank’s prior written concurrence.

(j) **Bid Validity:** The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the PPL. If justified by exceptional circumstances, an extension of bid validity may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation, award a contract, and/or complete the registration process, but not more than thirty (30) days; a corresponding extension of any bid guarantee also shall be required in such cases. A Bidder may refuse the request for extension of bid validity without forfeiting its bid guarantee. No further extensions shall be requested without the prior written concurrence of the Bank.
Guarantees: Guarantees shall be in the format included in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested. No advance payments shall be made without a suitable advance payment guarantee. Performance security shall not exceed ten percent (10%) of the contract amount.

Fraud and Corruption: The bidding documents and contract as deemed acceptable by the Bank shall include provisions stating the Bank's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

Inspection and Audit Rights: Each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank. Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Guidelines.

Contract Modifications: With respect to contracts subject to the Bank's prior review, the Borrower shall obtain the Bank's no objection before agreeing to: (i) a material extension of the stipulated time for performance of a contract; (ii) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (iii) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (iv) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Bank.

C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants'
Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the Bank’s General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated February 1, 2017, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category. The additional instructions referred to in paragraph A.1 of this Section shall specify the order in which the different sources of financing for the Project will be disbursed.
### Amount of the Loan Allocated (expressed in USD) to be financed (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
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</thead>
<tbody>
<tr>
<td>(1) Goods, works, Training, non-consulting services, consultants’ services, and Incremental Operating Costs for Parts 1, 2, 3 and 4.1 of the Project (other than those financed under the Financing Agreement)</td>
<td>2,991,779.15</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services under Part 4.2 of the Project (other than those financed under the Financing Agreement)</td>
<td>255,000</td>
<td>40% for Eligible Expenditures incurred until December 31, 2020, then 30% until December 31, 2021, then 20% thereafter</td>
</tr>
<tr>
<td>(3) Refund of the Preparation Advance</td>
<td>1,753,220.85</td>
<td>Amount payable pursuant to Section 2.07 (a) of the Bank’s General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,000,000</td>
<td></td>
</tr>
</tbody>
</table>

### Withdrawal Conditions; Withdrawal Period

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

2. The Closing Date is June 30, 2023.
Section V. Other Undertakings

A. Without prejudice to its obligations under Section 5.03 of the Bank's General Conditions, the Borrower shall ensure that the necessary allocation of adequate resources (physical, financial and staffing) are provided in each year of Project implementation for: (a) the successful deployment, operation and management of the M-Cloud by CTS or a successor acceptable to the Bank; (b) the implementation of the documents and registries management information system (SIGEDIA); (c) the adequate operation of the electronic payments governmental service (MPay); and (d) other shared eGovernment platforms. Such resources shall include, but not be limited to funding in the following amounts, unless otherwise agreed with the Bank:

(i) five hundred and sixty-five thousand Dollars ($565,000) per year during Project implementation for digital services and platforms (excluding the staff salaries referred to in paragraph (ii) below);

(ii) three hundred and twenty thousand Dollars ($320,000) per year during Project implementation for salaries of eight staff in the eGovernment Center (including the eGovernment Center Director General), who will provide support to digital platforms and services maintenance and operation; and

(iii) one hundred and three thousand Dollars ($103,000) per year during each year of Project implementation for office rent and maintenance.

B. Prior to carrying out the procurement of equipment and furniture for the piloting and roll-out of the CUPS under Part 1.3 of the Project, the Borrower shall cause the eGovernment Center to develop and approve a concept for the CUPS, based on a completed feasibility study acceptable to the Bank.

C. The Borrower shall ensure that any procurement contracts under Parts 1 and 2 of the Project for service reengineering and digitization, which are specified in the Procurement Plan, are co-signed by: (i) the relevant central government administrative unit providing the service selected for reengineering and digitization under Parts 1 and 2 of the Project, who will be responsible for contract implementation and acceptance of deliverables; (ii) the eGovernment Center, who will be responsible for quality assurance and for processing payments based on the acceptance of deliverables by the relevant unit; and (iii) the procured contractor.
SCHEDULE 3

Amortization Schedule

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

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1</td>
<td></td>
</tr>
<tr>
<td>Beginning October 1, 2022</td>
<td>1.72%</td>
</tr>
<tr>
<td>through October 1, 2050</td>
<td></td>
</tr>
<tr>
<td>On April 1, 2051</td>
<td>1.96%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “CTS” means the Borrower’s center for special telecommunications, within the Borrower’s State Chancellery or any successor thereto acceptable to the Bank.

6. “CUPS” means unified centers for government administrative services delivery.

7. “eGovernment” means the use of information and communications technologies by government agencies to improve their activities, including administration, services, and connecting with citizens and society.

8. “eGovernment Center” means the Borrower’s public institution in charge of implementing eGovernment transformation related projects, created pursuant to the eGovernment Center Legislation, or any legal successor thereto acceptable to the Bank.

9. “eGovernment Center Legislation” means the Government Decision No. 392, dated May 19, 2010 and Government Decision No. 760, dated August 18, 2010, that establishes the eGovernment Center, as amended and as in effect on the date of this Agreement.

10. “Financing Agreement” means the agreement between the Borrower and the Association for the Project, of the same date as this Agreement, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.

11. “Incremental Operating Costs” means the incremental expenses incurred by the Borrower and the eGovernment Center on account of Project implementation,
which may include office supplies, reasonable commercial banking charges and
fees, vehicle operation and maintenance, communication and insurance costs,
operation and maintenance of office equipment, office rent and administration
costs, utilities, travel, and per diem, and remuneration of locally contracted
employees (but excluding the salaries of the Borrower's civil service's officials),
and other related expenditures as may be agreed upon by the Bank, none of which
would have been incurred in the absence of the Project.

12. "IT" means information technology.

13. "M-Cloud" means the Borrower's "cloud computing" technology platform, being
a multitenant, dynamically provisioned and optimized infrastructure with self-
service developer deployment.

14. "MOF" means the Borrower's Ministry of Finance, or any successor thereto
acceptable to the Bank;

15. "Operational Manual" means the Borrower's Manual, acceptable to the Bank,
referred to in Section I.C of Schedule 2 to this Agreement.

16. "Preparation Advance" means the advance referred to in Section 2.07 (a) of the
Bank's General Conditions, granted by the Bank to the Borrower pursuant to the
letter agreement signed on behalf of the Bank on April 18, 2017 and on behalf of
the Borrower on May 4, 2017.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by

18. "Procurement Plan" means the Borrower's procurement plan for the Project, dated
June 20, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and
paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from
time to time in accordance with the provisions of said paragraphs.

19. "Project Implementation Unit" or "PIU" means the unit created within the
eGovernment Center for day-to-day Project implementation.

20. "State Chancellery" means the Borrower's state institution, established by Law
No. 64, dated May 31, 1990 or any legal successor thereto acceptable to the Bank.

21. "Subsidiary Agreement" means the agreement referred to in Section I.B of
Schedule 2 to this Agreement pursuant to which the Borrower shall make the
proceeds of the Loan available to the eGovernment Center.
22. "Training" means reasonable expenditures (other than for consultants' services and non-consulting services) incurred by trainers, trainees and workshop participants for reasonable travel, room, board, and per diem expenses in connection with training and workshops under the Project, including registration fees, facility and equipment rentals.

Section II. Modifications to the Bank’s General Conditions

The Bank’s General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

"19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."