
CREDIT NUMBER 6621-LK (CONCESSIONAL CREDIT)
CREDIT NUMBER 6619-LK (NON-CONCESSIONAL CREDIT)

Financing Agreement

(Sri Lanka Integrated Watershed and Water Resources Management Project)

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**CREDIT NUMBER 6621-LK (CONCESSIONAL CREDIT)
CREDIT NUMBER 6619-LK (NON-CONCESSIONAL CREDIT)**

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient to assist in financing the project described in Schedule 1 to this Agreement ("Project"):
 - (a) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty one million and three hundred eighty thousand Special Drawing Rights (SDR 31,380,000), to assist in financing the project described in Schedule 1 to this Agreement ("Project") ("Concessional Credit"); and
 - (b) a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of twenty six million and seven hundred thousand Dollars (\$26,700,000), as such amount may be converted from time to time through a Currency Conversion ("Non-Concessional Credit"), (the Concessional Credit and the Non-Concessional Credit jointly referred to, variously, as "Credit" or "Financing").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

- 2.03. The Payment Dates are May 15 and November 15 in each year.
- 2.04. The Payment Currency is Dollar.

ARTICLE III — CONCESSIONAL CREDIT TERMS

- 3.01. The Maximum Commitment Charge Rate for the Concessional Credit is one-half of one percent ($1/2$ of 1%) per annum on the Unwithdrawn Credit Balance of the Concessional Credit.
- 3.02. The Service Charge for the Concessional Credit is three-fourths of one percent ($3/4$ of 1%) per annum on the Withdrawn Credit Balance of the Concessional Credit.
- 3.03. The Interest Charge for the Concessional Credit is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 3.04. The principal amount of the Concessional Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

ARTICLE IV — NON-CONCESSIONAL CREDIT TERMS

- 4.01. The Front-end Fee for the Non-Concessional Credit is one quarter of one percent ($1/4$ of 1%) of the Non-Concessional Credit amount.
- 4.02. The Commitment Charge for the Non-Concessional Credit is one-quarter of one percent ($1/4$ of 1%) per annum on the Unwithdrawn Credit Balance of the Non-Concessional Credit.
- 4.03. The Interest Charge for the Non-Concessional Credit is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.
- 4.04. The principal amount of the Non-Concessional Credit shall be repaid in accordance with Schedule 4 to this Agreement.

ARTICLE V — PROJECT

- 5.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out: (a) Parts 1.1, 1.2, 1.3(a) and 4 of the Project, through

its Ministry of Mahaweli Agriculture, Irrigation and Rural Development (“MMAIRD”); (b) Part 1.3(b) of the Project through MMAIRD, in collaboration with the Water Resources Board (“WRB”); (c) Part 3 of the Project through the Coordinating Authority; and (d) Parts 1.3(c) and 2 of the Project through MMAIRD, in collaboration with the Eastern Provincial Council (“EPC”), Irrigation Department (“ID”), Mahaweli Authority of Sri Lanka (“MASL”) and Northern Provincial Council (“NPC”) (ID, EPC, MASL, NPC and WRB shall be collectively referred to as “Implementing Agencies” and individually as “Implementing Agency”), all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE VI — EFFECTIVENESS; TERMINATION

- 6.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 6.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VII — REPRESENTATIVE; ADDRESSES

- 7.01. The Recipient’s Representative is its Secretary, Ministry of Finance.
- 7.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Department of External Resources
The Secretariat
Colombo 1, Sri Lanka; and

(b) the Recipient’s Electronic Address is:

Telephone:	Facsimile:	E-mail:
94 11 2484693	94 11 2447633	dg@erd.gov.lk info@erd.gov.lk

- 7.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

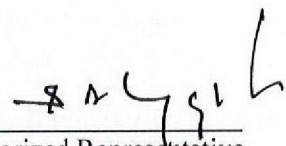
(b) the Association's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	CD-SLMV@worldbank.org

AGREED as of the Signature Date.

DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA

By


Authorized Representative

Name: S R Attygalle

Title: Secretary to the Treasury

Date: 22/4/21

INTERNATIONAL DEVELOPMENT ASSOCIATION

By


Authorized Representative

Name: Faris H. Hadad-Zervos

Title: Country Director for Maldives, Nepal

Date: 22 April 2021 and Sri Lanka

SCHEDULE 1

Project Description

The objective of the Project is to improve watershed and water resources planning and enhance functionality of water resources infrastructure.

The Project consists of the following parts:

Part 1: Watershed and Water Resources Planning

1.1 Watershed Management Planning

Supporting development of watershed management plan for the upper Mahaweli watershed, with activities to be implemented at mini-watershed levels.

1.2 Watershed Restoration

Implementing on- and off-farm watershed management activities in upper Mahaweli watershed.

1.3 Multi-sector Water Resources Planning

(a) Strengthening Bulk Water Allocation Expansion and Enhancement of Existing Bulk Water Allocation Model of Water Management Secretariat in MASL

(i) Improving existing reservoir simulation model by adding advance modeling tools and providing technical assistance to cover all river basins under watershed management; (ii) improving data utilization on system management by enhancing real-time monitoring on downstream water management nodes to decrease system response time and synchronizing overall operations into a central monitoring center; (iii) expanding existing hydro-meteorological information system (HMIS) network by establishing 120 HMIS stations to obtain the real time hydrometric data for forecasting and planning for ID and MASL.

(b) Groundwater Management

Carrying out activities to support the development of knowledge-based integrated groundwater management plans, such activities to include: (i) aquifer investigations; (ii) developing groundwater management tools, guidelines and regulations; (iii) preparing groundwater management plans; (iv) establishing provincial groundwater management centers; and (v) building the capacity of the WRB and the provincial groundwater management centers.

(c) Support for Policy and Institutional Arrangements for Dam Safety

Supporting the development and adoption of dam safety policies and guidelines for dam safety monitoring and inspection.

Part 2: Infrastructure Improvements

(a) Carrying out canal rehabilitation and dam safety remedial works; (b) preparing emergency preparedness plans for select high risk dams; and (c) providing support to farmers organizations to carry out the operation and maintenance of rehabilitated canal systems.

Part 3: Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

Part 4: Project Management

(a) Providing technical and operational assistance to the Project Management Unit for the management of the Project, including on financial management, procurement, environmental and social areas; (b) supporting monitoring and evaluation of the Project, including geotagging of the assets rehabilitated or built under the Project; (c) supporting stakeholder outreach to increase awareness on the Project; and (d) training for staff at the PMU and the Implementing Agencies.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall be responsible for the overall implementation of the Project and shall carry out the Project through its MMAIRD assisted by the Implementing Agencies, and Coordinating Authority, as applicable.
2. The Recipient shall, by no later than four (4) months after the Effective Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), establish, and thereafter maintain throughout the period of Project implementation, the National Project Steering Committee ("NPSC") within its MMAIRD and chaired by its Secretary, which shall be responsible for overall Project oversight and implementation, coordinating with the Implementing Agencies, approving the annual work plan and budget for the Project.
3. The Recipient shall maintain, throughout the period of Project implementation, a Project Management Unit ("PMU") within its MMAIRD, which shall be headed by a full-time national project director and which shall be provided with competent, experienced and qualified staff in sufficient numbers and under terms of reference acceptable to the Association, to carry out the day-to-day implementation of the Project, including: (i) ensuring that all activities are planned, financed and implemented as per the Project work program and budget and the Project Implementation Manual ("PIM"); (ii) ensuring that procurement and financial management activities are carried out timely and in accordance with policies and procedures acceptable to the Association; (iii) ensuring that social and environmental safeguard requirements are fully complied with; (iv) monitoring Project activities; and (v) preparing and submitting to the Association Project financial and progress reports.

B. Project Implementation Manual

1. The Recipient shall:
 - (a) by no later than three (3) months after the Effective Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), prepare, approve and adopt a Project Implementation Manual ("PIM") in a manner and substance satisfactory to the Association, and thereafter carry out

the Project in accordance with the provisions of the PIM, which shall include, *inter alia*: (i) the details of the Project activities including results framework and overall budget; (ii) the Project implementation arrangements, including detailed operational manuals on Part 1 of the Project; (iii) the Project's financial management and procurement requirements; (iv) the Project's environmental and social safeguard requirements; and (v) the Project's monitoring and evaluation, and reporting requirements; and

- (b) refrain from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating any provision of the PIM, whether in whole or in part, without the prior written concurrence of the Association.
- 2. In the event of any inconsistency between the provisions of the PIM and those of this Agreement and/or the CERCM, the provisions of this Agreement and the CERCM shall prevail, in that order of priority.

C. Safeguards

- 1. The Recipient shall ensure that:
 - (a) the Project is carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with the Safeguards Instruments;
 - (b) for each activity under the Project for which the ESMF and the RPF provide for the preparation of an ESIA, ESMP and/or a RAP:
 - (i) proceed to have such ESIA, ESMP and/or RAP as appropriate: (A) prepared and disclosed in accordance with the ESMF and the RPF, respectively; (B) consulted upon adequately with people affected by the Project as per the ESMF and the RPF, respectively, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and
 - (ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, ESMP and/or RAP in a manner satisfactory to the Association;
 - (c) all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that:
 - (i) funds are made available to cover all the costs of implementing the RAPs;

- (ii) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the RAPs, as applicable; and
 - (iii) the implementation, monitoring and evaluation of such RAPs is completed and reported in a manner satisfactory to the Association.
- 2. The Recipient shall ensure that the Project does not include any activities or expenditures on the negative list set forth in the ESMF.
- 3. Except as the Association shall otherwise agree in writing, the Recipient shall ensure, and cause to ensure, that none of the provisions of the Safeguard Instruments be abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguards Policies and EHS Guidelines.
- 5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:
 - (a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, *inter alia*:
 - (i) the status of implementation of the Safeguards Instruments;
 - (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and
 - (iii) corrective and preventive measures taken or required to be taken to address such conditions;
 - (b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising

the Project's civil works, the Project's contractors and/or subcontractors;
and

- (c) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers.
6. The Recipient shall maintain, throughout Project implementation, and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

D. Dam Safety

- 1. The Recipient shall, by no later than four months after the Effective Date (or such other date which the Association has confirmed in writing to the Recipient is reasonable and acceptable under the circumstances, as determined by the Association in its sole discretion), establish, and maintain throughout the period of Project implementation, a Dam Safety Review Panel under terms of reference agreed with the Association and composed of independent experts on dam safety, each with qualifications, skills and experience acceptable to the Association, to: (i) advise the PMU and the Implementing Agencies on matters related to dam safety and other critical aspects of dams; and (ii) carry out detailed risk assessments for proposed works to be carried out under the Part 2 of the project.
- 2. The Recipient shall ensure that terms of reference for a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan and an emergency preparedness plan for a potential dam project, are prepared, all satisfactory to the Association and duly incorporating and taking into consideration the requirements of the Safeguard Policies.
- 3. To ensure the proper management and safety of dams, the Recipient:
 - (a) shall carry out a safety inspection of the relevant dam at intervals of not less than once every four months during the implementation of the Project, by independent experts whose terms of reference, qualifications, and experience shall be satisfactory to the Association, the first of said safety inspections to be carried out not later than three months after the Effective Date; and

- (b) prior to completion of the remedial works of the relevant dam, in accordance with terms of reference satisfactory to the Association: (i) prepare operation and maintenance manuals and emergency preparedness plans for the select high risk dams; (ii) furnish said plans to the Association for its review; (iii) adopt and implement said plans, taking into account the views of the Association on the matter; and (iv) carry out an on-site training program for the members of said committee and other staff on the implementation of the maintenance plan and emergency preparedness plan above referred.

E. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project ("Contingent Emergency Response Part"), the Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, a Contingent Emergency Response Component Manual ("CERCM") which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Part, including designation of, terms of reference for and resources to be allocated to, the entity responsible for the coordination and implementation of the Contingent Emergency Response Part ("Coordinating Authority"); (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the any relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;
 - (b) afford the Association a reasonable opportunity to review the proposed CERCM;
 - (c) promptly adopt the CERCM for the Contingent Emergency Response Part as accepted by the Association;

- (d) ensure that the Contingent Emergency Response Part is carried out in accordance with the CERCM; provided, however, that in the event of any inconsistency between the provisions of the CERCM and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERCM without the prior written approval by the Association.
- 2. The Recipient shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) all safeguards instruments as may be required for said activities have been prepared and disclosed in accordance with the CERCM, the Recipient has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.
- 3. The Recipient shall, throughout the period of implementation of the CER Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

F. Annual Work Plans and Budgets

- 1. The Recipient shall furnish to the Association for approval as soon as available, but in any case, not later than November 30 of each year during Project implementation, a proposed annual work plan and budget for the Project and the updated Procurement Plan for each subsequent Fiscal Year, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the first Fiscal Year which shall be furnished prior to the commencement of the relevant activities under the Project.
- 2. The Recipient shall, not later than two (2) months after furnishing each annual work plan and budget referred to in the preceding paragraph to the Association, finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such plan and budget as agreed in writing with the Association.]

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

B. Mid-term Review

The Recipient shall carry out jointly with the Association, no later than three (3) years after the Effective Date, or such other period as may be agreed with the Association, a mid-term review of the Project ("Mid-Term Review"). To this end, the Recipient shall: (a) prepare and furnish to the Association, at least one (1) month before the date of the Mid-Term Review, a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the continued efficient implementation of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; (b) repay the Preparation Advance; and (c) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Concessional	Amount of the Non-Concessional Credit Allocated	Percentage of Expenditures to be Financed (inclusive of Taxes)
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	Credit Allocated (expressed in SDR)	(expressed in USD)	
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs and Training for Parts 1.1, 1.3 and 4 of the Project	7,850,000	0	100%
(2) Goods, works, non-consulting services, consulting services, Incremental Operating Costs and Training for Part 2 of the Project	23,530,000	25,733,250	100%
(3) Emergency Expenditures	0	0	100%
(4) Refund of the Preparation Advance	0	900,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(5) Front-end Fee for the Non-Concessional Credit	-	66,750	Amount payable pursuant to Section 4.01 of this Agreement in accordance with Section 3.08 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium for the Non-Concessional Credit	-	0	Amount due pursuant to Section 4.06 (c) of the General Conditions
TOTAL AMOUNT	31,380,000	26,700,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

- (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category 3, unless and until the Association is satisfied that all of the following conditions have been met in respect of said expenditures:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all Safeguards Instruments required for said activities, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Sections I.E.2(b) of this Schedule;
 - (iii) the Recipient has provided sufficient evidence satisfactory to the Association that the Coordinating Authority has adequate staff and resources, in accordance with the provision of Section I.E.3 for the purposes of said activities; and
 - (iv) the Recipient has adopted the CERCM, in form and substance acceptable to the Association, and the provisions of the CERCM remain, or have been updated in accordance with the provisions of Section I.E of this Schedule so as to be, appropriate for the inclusion and implementation of the Contingent Emergency Response Part.
2. The Closing Date is October 31, 2025.

SCHEDULE 3

Repayment Schedule of the Concessional Credit

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2025 to and including May 15, 2045	1.65%
commencing November 15, 2045 to and including May 15, 2050	3.40%

* The percentages represent the percentage of the principal amount of the Concessional Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

SCHEDULE 4

Repayment Schedule of the Non-Concessional Credit

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Non-Concessional Credit and the percentage of the total principal amount of the Non-Concessional Credit payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments	
Principal Payment Date	Installment Share
On each May 15 and November 15 Beginning November 15, 2025 through May 15, 2050	2.0%

APPENDIX

Definitions

1. “Affected Person” means a person or entity who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and, “Affected Persons”, means more than one such Affected Person.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Contingent Emergency Response Component Manual” or the acronym “CERCM” means the manual referred to in Section I.E of Schedule 2 to this Agreement, to be adopted by the Recipient for the Contingent Emergency Response Part in accordance with the provisions of said Section.
5. “Contingent Emergency Response Part” means Part 3 of the Project.
6. “Coordinating Authority” means the entity or entities designated by the Recipient in the CERCM, and approved by the Association pursuant to Section I.E.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating the Contingent Emergency Response Part of the Project.
7. “Dam Safety Review Panel” means the panel to be established pursuant to Section I.D.1 of Schedule 2 to this Agreement.
8. “Eastern Provincial Council” or its acronym “EPC” means the Recipient’s Eastern Provincial Council, or any successor thereto.
9. “EHS Guidelines” means the World Bank Group Environmental, Health and Safety Guidelines published on www.ifc.org/ehsguidelines, as said guidelines are updated from time to time.

10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
11. “Emergency Expenditure” means any of the eligible expenditures set forth in the Contingency Emergency Response Component Manual in accordance with the provisions of Section I.E of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. “Environmental and Social Impact Assessment” or its acronym “ESIA” means any environmental and social assessment to be prepared by the Recipient under the Project in accordance with the procedures and requirements under the ESMF, satisfactory to the Association, as said instrument may be amended from time to time with the Association’s prior written agreement; and “ESAs” means, collectively, all such assessments.
13. “Environmental and Social Management Framework” or “ESMF” means the framework prepared by the Recipient, satisfactory to the Association, and disclosed on the Association’s website on March 28, 2019, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of Project activities, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts and/or reduce said adverse impacts to acceptable levels, and enhance positive impacts, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Project’s risks and impacts; as well as for the preparation of ESMPs, as such framework may be amended by the Recipient from time to time with the Association’s prior written agreement.
14. “Environmental and Social Management Plan” or “ESMP” means the plan prepared by the Recipient, satisfactory to the Association, and to be disclosed on the Association’s website, which details (a) the measures to be taken during the implementation of the Project to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the procedural, budget and institutional arrangements and actions needed to implement these measures, including any schedules to such plan, and as such plan may be amended by the Recipient from time to time with the Association’s prior written agreement.
15. “Fiscal Year” or “FY” means the Recipient’s fiscal year, commencing on January 1 of each calendar year and concluding on December 31 of the same calendar year.

16. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.
17. "Implementing Agencies" means, collectively, EPC, ID, MASL, NPC and WRB; and the term "Implementing Agency" means any one of the Implementing Agencies.
18. "Incremental Operating Costs" means the reasonable costs incurred by the PMU and the Implementing Agencies for purposes of the management and supervision of the Project including costs of office utilities and supplies, communication, printing services, bank charges, advertising expenses, vehicle rental, operation and maintenance of vehicles, office equipment and facilities, travel, lodging and per diem expenses, salaries of contractual staff, but excluding salaries and allowances of the Recipient's civil servants or other regular governmental staff.
19. "Irrigation Department" or "ID" means the Recipient's Irrigation Department, or any successor thereto.
20. "MASL" means the Mahaweli Authority of Sri Lanka, or any successor thereto.
21. "Ministry of Finance" means the Recipient's Ministry of Finance, or any successor thereto.
22. "MMAIRD" means the Recipient's Ministry of Mahaweli Agriculture, Irrigation and Rural Development, or any successor thereto.
23. "National Project Steering Committee" or its acronym "NPSC" means the committee to be established by the Recipient pursuant to Section I.A.2 of Schedule 2 to this Agreement.
24. "Northern Provincial Council" or its acronym "NPC" means the Recipient's Northern Provincial Council, or any successor thereto.
25. "Preparation Advance" means the portion of the advance referred to in Section 2.07 (a) of the General Conditions, granted by the International Bank for Reconstruction and Development ("Bank") to the Recipient pursuant to the letter agreement signed on behalf of the Bank on January 26, 2018 and on behalf of the Recipient on January 30, 2018, as amended from time to time.
26. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Recipients", dated July 2016, revised November 2017 and August 2018.
27. "Project Implementation Manual" or its acronym "PIM" means the manual to be prepared and adopted by the Recipient in accordance with the provisions of Section

I.B of Schedule 2 to this Agreement, as the same may be modified from time to time in accordance with Section I.B.1(b) of Schedule 2 to this Agreement, and such term includes any annexes, appendices, or schedules to such manual.

28. "Project Management Unit" or "PMU" means the unit established within MMAIRD for the Project on October 1, 2018 and as referred to in Section I.A.3 of Schedule 2 to this Agreement.
29. "Resettlement Action Plan" or "RAP" means the plan adopted by the Recipient, satisfactory to the Association, and to be disclosed on the Association's website, which includes the principles, guidelines, procedures, organizational arrangements and budget to implement the resettlement related activities under the Project, or under Parts of the Project, as said resettlement action plan may be revised from time to time with the prior written agreement of the Association; and "RAPs" means, collectively, all such RAP.
30. "Resettlement Policy Framework" or "RPF" means the framework prepared and adopted by the Recipient, satisfactory to the Association, and disclosed on the Association's website on March 28, 2019, which sets out the resettlement principles, guidelines, organizational arrangements (including consultation and budget), and design criteria to be applied to resettlement related Project activities to be prepared during Project implementation, as such framework may be amended from time to time with the prior written agreement of the Association.
31. "Safeguard Instruments" means collectively, the ESIA, ESMF, ESMP, RAP, RPF, and "Safeguard Instrument" means any of such Safeguards Instruments.
32. "Safeguard Policies" means, the Operational Policies (OPs) and Bank Procedures (BPs) of the Association, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at <https://policies.worldbank.org>.
33. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
34. "Training" means the costs of training activities under the Project, based on annual work plans and budgets approved by the Association, and attributable to seminars, workshops, and domestic and overseas study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

35. "Water Resources Board" or its acronym "WRB" means the Recipient's Water Resources Board, or any successor thereto.

