Financing Agreement

(Puttalam Housing Project)

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 25, 2007
AGREEMENT dated May 25, 2007, 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) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Financing Agreement have the meanings ascribed to them in the General Conditions and in the Appendix to this Agreement.

ARTICLE II - FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty-one million seven hundred thousand Special Drawing Rights (SDR 21,700,000) ("Credit") to assist in financing the project described in Schedule 1 to this Agreement ("Project")

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are March 15 and September 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.
ARTICLE III - PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MOR in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V– REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is The Secretary, Ministry of Finance.

5.02. The Recipient’s Address is:
Ministry of Finance and Planning
The Secretariat
Colombo 1, Sri Lanka

Cable: SECMINFIN
Telex: FINMIN 21409
Facsimile: 94 11 2449823
94 11 244 7633

5.03. The Association’s Address is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED in Colombo, Sri Lanka, as of the day and year first above written.

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By /s/ Punchi Bandara Jayasundera

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Naoko Ishii

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in contributing to the social and economic integration of IDPs in Puttalam by upgrading and improving the habitat, water and sanitation facilities of Beneficiaries and providing eligible IDPs with permanent housing.

The Project consists of the following parts:

1. Housing Assistance

   Provision of Housing Grants to IDPs to carry out Housing Sub-projects in accordance with a four-phase implementation process.

2. Water, Sanitation, and Environmental Mitigation

   The carrying out of Schemes, and, for the purposes of water supply and sanitation, Sanitation Sub-projects, and the provision of related technical assistance:

   A. Water Supply, Sewerage and Sanitation

   (i) Carrying out of Water Schemes at the village level for construction and rehabilitation of drinking water supply, sewerage and sanitation facilities in approximately 141 refugee camps, and select non-IDP villages in Puttalam, and provision of related technical assistance.

   (ii) Provision of Sanitation Grants to Sanitation Grant Beneficiaries to carry out Sanitation Sub-projects.

   B. Environmental Mitigation, Drainage and Internal Roads

   Carrying out of Schemes and mitigation of critical adverse environmental impacts identified in the Environmental Management Plans, including, in the case of Road Schemes, reconstruction, rehabilitation and/or drainage works.
3. **Capacity Building and Monitoring**

   Provision of technical assistance to strengthen the implementation of the Project by supporting, amongst other matters, land title regularization, a communications campaign, a continuous social impact assessment, environmental audits prior to Mid-Term and Project closure, a technical audit, a housing assessment survey and a comprehensive settlement plan and skills training.

4. **Project Management**

   Provision of support for Project management including training, and provision of assistance to the PPU in the preparation of progress reports on Project implementation; acquisition of goods; and payment of the operating costs of the system designed to consider grievances filed by IDPs denied Housing Grants (the grievance redressal mechanism).
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

Project Implementation

Framework Documentation

1. The Recipient, through MOR, shall: (i) carry out the Project in accordance with the Operational Manual, the Financial Management Manual and the ESAMF; (ii) not amend, abrogate or waive any provision of the Operational Manual, the Financial Management Manual or the ESAMF without the Association’s prior approval; and (iii) promptly inform the Association of any changes deemed necessary or desirable proposed to be made, to the Operational Manual, the, the Financial Management Manual or the ESAMF and request the Association’s views on, and approval of, such proposed changes.

Steering Committee

2. The Recipient, by no later than April 30, 2007, shall establish, and thereafter maintain, a Steering Committee to determine policy, monitor Project management, and approve Sub-projects and Schemes to be carried out under the Project. The Steering Committee shall be headed by the Secretary of MOR. Other members shall include the Director-General and Senior Project Adviser of MOR; the Puttalam District Secretary; and officials of the NWSDB, the NWPRD, and representatives from relevant central line agencies of the Recipient, including its Ministry of Finance and Planning and Chief Secretary of the North Western Provincial Council and Director Provincial Environmental Authority of the North Western Provincial Council.

District Monitoring Committee

3. In order to oversee activities under the Project at the district level a District Monitoring Committee will be established and headed by the District Secretary, other members shall include the four relevant Divisional Secretaries and representatives of relevant district line agencies.

Puttalam Project Unit

4. (a) The Recipient, through MOR, shall maintain, its PPU, within MOR, to assist in supervision and implementation of the Project.

(b) The responsibilities of the PPU shall include, inter alia: (i) identification of Beneficiaries; (ii) supervision of civil works under Sub-projects and Schemes; (iii) issuance of technical certifications of construction completion; (iv) management of funds flow and disbursement under the
Project, including, without limitation, phased disbursement for Housing Grants in accordance with paragraph 6 of this Section; and (v) monitoring and evaluation of the Project’s impact, outputs and outcomes.

(c) To assist the Recipient in the monitoring and evaluation of the Project, the PPU by no later than December 31, 2008, shall carry out a review (the Mid-Term Review) and prepare a report on the progress made in Project implementation, including review of financial, procurement, environmental and social aspects and promptly provide to the Association a copy of its report and exchange views with the Association thereon.

Procedures for, and Terms and Conditions of, Grants and Schemes under the Project

5. Each Sub-project and each Scheme to be carried out under the Project shall be identified, appraised, selected and carried out in accordance with all applicable policies and procedures set forth in the Operational Manual, the ESMAF, the Financial Management Manual and any Safeguard Plans, as appropriate. Without prejudice to the generality of the foregoing, in respect of Housing Sub-projects the Recipient, through MOR, shall provide Housing Grants to Housing Beneficiaries who meet the Eligibility Criteria set forth in the Annex to this Section I of this Schedule.

6. The Recipient, through MOR, shall disburse a Housing Grant in four tranches, with each tranche to be disbursed upon the Housing Beneficiary meeting certain specified construction milestones provided for in the Operational Manual. Disbursement of any tranche of a Housing Grant shall be predicated upon receipt by PPU of written verifications, conducted and documented by PPU staff, that the relevant construction milestones have been met.

Improvement of Service Delivery

7. The Recipient: (i) by no later than twelve (12) months after the Effective Date, shall carry out a baseline survey to determine the cost of service delivery in the divisions of Puttalam in which the Beneficiaries reside; and (ii) within six (6) months from the conclusion of the baseline survey and based on the findings thereof, shall agree with the Association on the actions the Recipient will take to improve and increase service delivery (including *inter alia* health, education, transport, and sewerage collection) to the Beneficiary population in Puttalam.
Reports, Orders, Permits and Licenses

8. The Recipient shall carry out any and all necessary preparatory evaluations in respect of Schemes, and in some cases Sub-projects, to be carried out under the Project, and shall provide to the Association:

   (a) prior to carrying out any Water Scheme designated to be carried out under the second phase of Water Schemes, an engineering report, in scope and detail satisfactory to the Association, in respect of all Water Schemes to be carried out under such second phase; and

   (b) confirmation that the Scheme or Sub-project, as the case may be, complies with all applicable building regulations, conservation orders, local authority requirements.
ANNEX

Eligibility Criteria for Housing Grants

To be eligible to receive a Housing Grant, a Housing Beneficiary shall:

(a) have title to the land on which dwelling construction is sought to be financed by the Housing Grant;

(b) have been living, together with the majority of his or her household members, in a refugee camp in Puttalam as evidenced by UNHCR’s 2006 survey;

(c) not own any other residential dwelling in Puttalam; and

(d) not have received any other housing assistance.

Without prejudice to the foregoing provisions of this paragraph 5, heads of households who meet the requirements of only sub-paragraphs (b), (c) and (d) of this paragraph 5 but who have legal possession of the land on, and the temporarily or partly-completed dwelling in, which they have lived as of April 2006, according to the UNHCR 2006 survey, shall qualify as Housing Beneficiaries.

No Housing Grant shall be given to construct housing on environmentally sensitive lands.
Section II.  Project Monitoring, Reporting, Evaluation

A.  Project Reports

1.  The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2.  For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than four (4) months after the Closing Date.

B.  Financial Management, Financial Reports and Audits

1.  The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2.  Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than one month after the end of each calendar quarter interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3.  The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4.  Within three (3) months of the Effective Date, the Recipient shall have adopted and put in place procedures and mechanisms for inter audit arrangements to be carried out by the internal audit department within MOR.

Section III.  Procurement

A.  General

1.  Goods and Works.  All goods and works required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.
2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraphs 2 and 3 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding, subject to the following additional procedures:

   (i) The Procurement Plan shall specify the circumstances under which such procurement method may be used.

   (ii) Standard bidding documents and procedures approved by the Association shall be used.

2. **National Competitive Bidding.** Except as otherwise provided in paragraph 3 below, goods estimated to cost $250,000 or less per contract, and works estimated to cost more than $30,000 per contract but less than $500,000 per contract, shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the use of Standard Bidding documents approved by National Procurement Agency of Sri Lanka with the prior concurrence of IDA.

   In order to ensure economy, efficiency, transparency and broad consistency with the provisions of the Guidelines:

   (i) only the Sri Lanka specific model bidding documents for national competitive bidding agreed with the Association (as amended from time to time in agreement with the Association) shall be used for bidding;

   (ii) invitations to bid shall be advertised in at least one national newspaper with a wide circulation, at least twenty one (21) days prior to the deadline for the submission of bids;

   (iii) bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;

   (iv) there shall not be any restrictions on the means of delivery of the bids;
(v) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders (including state-owned enterprises, or small-scale enterprises) in the bidding process;

(vi) qualification criteria shall be stated in the bidding documents, and, if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity of registering, without let or hindrance;

(vii) bids shall be opened in public in one location, immediately after the deadline for submission of bids;

(viii) evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format and specified period agreed by the Association;

(ix) bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Association;

(x) contracts shall be awarded to the lowest evaluated bidders;

(xi) except with the prior concurrence of the Association, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;

(xii) rebidding shall not be carried out without the Associations’ prior concurrence;

(xiii) all bidders/contractors shall provide bid/performance security as indicated in the bidding/contract documents;

(xiv) a bidder’s bid security shall apply only to a specific bid, and a contractor’s performance security shall apply only to the specific contract under which it was furnished;

(xv) bids shall not be invited on the basis of percentage premium or discount over the estimated cost unless agreed with the Association; and

(xvi) unless justified by force majeure and/or situations beyond the control of the Borrower, extension of bid validity shall not be allowed without the prior concurrence of the Association for: (a) the first request of extension if it is longer than four (4) weeks; and (b) all subsequent requests for extension irrespective of the period.
3. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International and National Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Shopping</td>
</tr>
<tr>
<td>(b) Direct Contracting</td>
</tr>
<tr>
<td>(c) Community Driven Procurement</td>
</tr>
<tr>
<td>(d) Force Account</td>
</tr>
</tbody>
</table>

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants Qualifications</td>
</tr>
<tr>
<td>(e) Single Source Selection</td>
</tr>
<tr>
<td>(f) Selection of Individual Consultant</td>
</tr>
</tbody>
</table>
D. **Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of $250,000 or more and each contract for works estimated to cost $500,000 or more; (b) the first two contracts for water supply works each estimated to cost the equivalent of $30,000 or more procured on the basis of National Competitive Bidding; (c) the first two contracts for road works each estimated to cost the equivalent of $30,000 or more procured on the basis of National Competitive Bidding; (d) the first two contracts procured under the Community Driven Procurement method; (e) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; and (f) each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of $50,000 or more; and (g) single source selection of consultant firms and individual consultants. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions).

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Housing Grants</td>
<td>10,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sanitation Grants</td>
<td>340,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods</td>
<td>250,000</td>
<td>88%</td>
</tr>
<tr>
<td>(4) Consultant services</td>
<td>1,430,000</td>
<td>88%</td>
</tr>
<tr>
<td>(5) Works</td>
<td>8,510,000</td>
<td>88%</td>
</tr>
<tr>
<td>(6) Training</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Incremental Operating Costs</td>
<td>100,000</td>
<td>33%</td>
</tr>
<tr>
<td>(8) Refund of Project Preparation Advance</td>
<td>70,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>21,700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. For the purposes of this Schedule the term “Incremental Operating Costs” means expenditures under the Project incurred by MOR in respect of the Project including: (a) Project management costs; (b) PPU staff salaries including travel costs, per diem for PPU staff, vehicle maintenance, fuel and insurance costs, costs of supervision field visits (travel costs and per diem), office supplies and communications expenses and such other administrative expenses arising through Project implementation, but excluding salaries of the Recipient’s civil servants; and (c) the grievance redressal mechanism.

3. The Closing Date is June 30, 2011.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15:</td>
<td></td>
</tr>
<tr>
<td>commencing March 15, 2017 to and including September 15, 2026</td>
<td>5%</td>
</tr>
</tbody>
</table>

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Beneficiary” means an individual, who may be an IDP or a non-IDP, residing in Puttalam and who will or may benefit from a Sub-project or Scheme carried out or to be carried out under the Project.

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


4. “Environment and Social Assessment and Management Framework” and “ESAMF” mean the Recipient’s framework prepared by the Recipient and provided to the Association on September 15, 2006, which enables the Recipient to assess and manage, among other things: (i) the Project’s environmental and social conditions; (ii) the measures required to mitigate the Project’s possible adverse impact on the environment, including process guidelines and mitigation measures; and (iii) the preparation of any Environmental Management Plans or Resettlement Action Plans, (each as hereinafter defined) and other appropriate mechanisms required to mitigate and monitor adverse environmental and social impacts, if any, of carrying out the Project.

5. “Environmental Management Plan” means a plan prepared in respect of a proposed Sub-project or Scheme, as the case may be, evaluating the potential environmental impact of the proposed Sub-project or Scheme and setting out the environmental protection measures proposed in respect of such Sub-project or Scheme.

6. “Financial Management Manual” means the Recipient’s manual for financial management of the Project prepared by the Recipient on August 1, 2006, and which sets forth procedures for accounting, financial management and disbursement for the Project, including, as appropriate, procedures for accounting, financial management and disbursement for Subprojects and Schemes (each such term as hereinafter defined).


8. “Grant” means a Housing Grant or a Sanitation Grant (as each such term is hereinafter defined); and “Grants’ means all or any such Grants.
9. “Housing Beneficiaries” means heads of households from among IDPs (as this term is hereinafter defined) to whom MOR (as this term is hereinafter defined) proposes to make, or has made, a Housing Grant (as this term is hereinafter defined) under Part 1 of the Project; each a “Housing Beneficiary”.

10. “Housing Grant” means a grant made by MOR (as this term is hereinafter defined) to a Beneficiary pursuant to paragraphs 4, 5 and 6 of Section I of Schedule 2 to this Agreement, and in accordance with such other provisions relating to eligibility and procedures for Housing Grants as may be set forth in the Operational Manual.

11. “Housing Sub-project” means a sub-project whose objective is to replace temporary housing with permanent housing or upgrade partly-completed housing of IDPs.

12. “IDPs” means internally displaced persons currently residing in Puttalam, and who have left their own homestead as a result of civil unrest.


14. “NWPRD” means the Provincial Road Development Department, North Western Provincial Council.


16. “Operational Manual” means the Recipient’s Operational Manual, dated October 15, 2006, satisfactory to the Association, setting out, inter alia, the operating procedures for the carrying out of the Project, including the criteria for eligibility, selection, and distribution of Grants, implementation and institutional arrangements, flow of funds and the Project’s performance indicators, as such manual may be revised from time to time with the prior approval of the Association.

17. “Project Affected People” or “PAPs” means individuals or families whose livelihood is adversely affected as a result of the loss of a land, dwelling, trees or crops from forest areas caused by the carrying out of a Sub Project or Scheme.

18. “PPU” means the Puttalam Project Unit, to be maintained by MOR pursuant to the provisions of paragraph 4 of Section I of Schedule 2 to this Agreement.

20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 29, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on June 26, 2006 and on behalf of the Recipient on July 6, 2006.

22. “Puttalam” means the administrative district of Puttalam within the Recipient’s North Western province.

23. “Resettlement Action Plan” means a resettlement action plan prepared in respect of a proposed Sub-project or Scheme, as the case may be, and describing a program of actions, measures and policies designed to avoid or minimize any adverse impacts or hardship to PAPs as a result of the Sub-project or Scheme, if such adverse hardships cannot be avoided altogether, and provide such PAPs with alternative opportunities to enhance or restore their livelihoods.

24. “Road Scheme” means a scheme to rehabilitate and improve internal roads in refugee camps in Puttalam, including schemes designed to address flooding and poor drainage.

25. “Safeguard Plan” means each Environmental Management Plan and Resettlement Action Plan to be prepared in respect of a proposed Sub-project or Scheme, as the case may be, each such plan to be prepared in accordance with the guidelines set forth in the Environmental and Social Assessment and Management Framework relating to the environmental protection measures in respect of the Project including procedures for evaluation and preparation of each Safeguard Plan (as necessary), as well as the administrative and monitoring arrangements to ensure implementation of each Safeguard Plan, including any amendments thereto to be concluded from time to time with the prior agreement of the Association.

26. “Sanitation Grant” means a grant made by MOR under Part 2.A(ii) of the Project pursuant to the terms and conditions set forth in paragraphs 5 of Section I of Schedule 2 to this Agreement and in accordance with the provisions of the Operational Manual.

27. “Sanitation Sub-project” means a project whose objective is to mitigate bacteriological contamination of ground water by properly disposing of sewage through the construction of latrines.
28. “Sanitation Sub-project Beneficiaries” means individuals or families selected to benefit from a Sanitation Sub-project and being either: (i) IDPs that have not received a Housing Sub-grant; or (ii) heads of households that are not members of the IDP community; each a “Sanitation Sub-project Beneficiary”.

29. “Schemes” means both Road Schemes and Water Schemes (as hereinafter defined).

30. “Sub-project” means either a Housing Sub-project or a Sanitation Sub-project, as the case may be.


32. “Water Scheme” means a scheme for the provision of water and sanitation to Beneficiaries.