Dr. P.B. Jayasundera  
Secretary to the Treasury  
Ministry of Finance and Planning  
Government of Sri Lanka  
The Secretariat  
Colombo 1  
Sri Lanka

Dear Dr. Jayasundera

RE: E-Sri Lanka Development Project  
Credit Number 3986-CE  
Amendment

We refer to the Development Credit Agreement between the Democratic Socialist Republic of Sri Lanka (the Recipient) and the International Development Association (the Association), dated December 15, 2004 as amended to the date of this letter. In order to explicitly provide for the inclusion of training as an eligible expenditure under the Project, the Association proposes to make the following amendment to the disbursement table appearing in Schedule 1 to the Development Credit Agreement:

1. The first phrase of the description of Category (2) is amended to read as follows:

“(2) Goods, works, training and consultants’ services financed through grants and subsidies under:”
We would be grateful if you would please confirm your agreement to this amendment by signing the form of counter signature below and returning a signed copy to us. Upon receipt by us of the countersigned copy, the amendment shall come into force as of date of the Development Credit Agreement.

Very truly yours,

/s/ Diarietou Gaye

Diarietou Gaye
Country Director for Sri Lanka and the Maldives
South Asia Region
INTERNATIONAL DEVELOPMENT ASSOCIATION

CONFIRMED
DEMOCRATIC REPUBLIC OF SRI LANKA

By: /s/ P. B. Jayasundera

Name: Dr. P. B. Jayasundera
Title: Secretary, Ministry of Finance and Planning
Date: 30th of December 2011
cc:  Mr. M.P.D.U.K. Mapa Pathirana, Director General, Department of External Resources, Ministry of Finance and Planning
     Ms. M. Gangatharan, Director, Department of External Resources, Ministry of Finance and Planning
     Prof. P.W. Epasinghe, Chairman, ICTA Board of Directors, ICT Agency of Sri Lanka
     Mr. Reshan Dewapura, Chief Executive Officer, ICT Agency of Sri Lanka
     Mr. Jayantha Fernando, Program Director/Legal Advisor, ICT Agency of Sri Lanka
     Mr. Wasantha Deshapriya, Program Director, ICT Agency of Sri Lanka
1. Proceeds for *Sri Lanka, E-Lanka Development, Credit 3986-CE, P081771* will be reallocated as follows:

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Allocation (SDR)</th>
<th>% of Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Revised</td>
</tr>
<tr>
<td>(1) Works, goods, consultants' services and training under Part A of the Project (e-Leadership Program)</td>
<td>n.a.</td>
<td>5,893,860.96</td>
</tr>
<tr>
<td>(1A) Works, goods, consultants' services and training under Part E of the Project (Re-engineering government program)</td>
<td>n.a.</td>
<td>6,304,764.36</td>
</tr>
<tr>
<td>(2) Goods, works and consultants' services financed through grants and subsidies under:</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, training, and consultants' services financed through grants and subsidies under:</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>(a) Broadband communication infrastructure (BCI)</td>
<td>n.a.</td>
<td>348,000.00</td>
</tr>
<tr>
<td>(b) ICB Fund</td>
<td>n.a.</td>
<td>2,964,709.01</td>
</tr>
<tr>
<td>(c) E-Society Fund</td>
<td>n.a.</td>
<td>2,806,815.95</td>
</tr>
<tr>
<td>(d) Tele-centers</td>
<td>n.a.</td>
<td>4,360,904.62</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>n.a.</td>
<td>2,527,796.22</td>
</tr>
<tr>
<td>(7) Refunding of the Project Preparation Advance</td>
<td>n.a.</td>
<td>970,000.00</td>
</tr>
</tbody>
</table>

**Allocation for Part Z Activities**

| (100) Goods, works, consultants' services, training, Cash Grants for livelihood support, operating costs, and Sub-grants under Part Z of the Project | n.a. | 3,624,877.71 | n.a. | 100% | n.a. | |

| TOTAL | 29,801,728.83 | n.a. |

2. **Project implementation progress.** The project's implementation rating is satisfactory. All PDOs, and all intermediate targets have been achieved. The project has disbursed 89 percent and committed 98 percent, and will close on December 31, 2011.
3. This Restructuring Paper amends the list of eligible expenditures to include “training” expenditures in category 2. The amendment is necessary due to an oversight in the original Development Credit Agreement, where the “training” that is financed by the project under this category, had been inadvertently omitted from the list of eligible expenditures.

4. There are no other changes proposed to any other aspect of the project.