IBSL Project Agreement

(Financial Sector Modernization Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INSURANCE BOARD OF SRI LANKA

Dated October 04, 2017
IBSL PROJECT AGREEMENT

AGREEMENT dated , 2017, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and INSURANCE BOARD OF SRI LANKA ("Project Implementing Entity") ("IBSL Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ("Recipient") and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Components 1(a), 1(e) and 2(c) of the Project (hereinafter referred to as its “Respective Part of the Project”) in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Director General.
4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Telex: 248423(MCI)  Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

The Insurance Board of Sri Lanka
Level 11, East Tower, World Trades Center,
Echelon Square, Colombo 01
Sri Lanka

Tel: +94 11 2396184-9:  Facsimile: +94 11 2396190
AGREED at Colombo, Democratic Socialist Republic of Sri Lanka, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Idah Z. Psamati Fieldough
Title: Country Director
Sri Lanka and Maldives

INSURANCE BOARD OF SRI LANKA

By

Authorized Representative

Name: Damayathithi Fernando
Title: Director General
Insurance Board of Sri Lanka
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

A. Institutional Arrangements.

The Project Implementing Entity shall establish, within two (2) months after the Effective Date, and thereafter maintain through the period of implementation of the Project the Project Steering Committee to: (a) ensure effective coordination and communication among the Implementing Entities and the Project Executing Agencies; (b) provide overall policy guidance and support to the Implementing Entities and the Project Executing Agencies; and (c) mobilize and ensure coordination with other relevant stakeholders.

B. Operations Manual

1. The Project Implementing Entity shall: (a) adopt the Operations Manual, in form and substance satisfactory to the Association, within two (2) months after the Effective Date or the first date on which the Verification Report shall be required under the Project, whichever is earlier; (b) carry out the Project in accordance with the Operations Manual; and (c) not amend, revise or waive nor allow to be amended, revised or waived, the provisions of the Operations Manual or any part thereof without the prior written agreement of the Association.

2. In the event of any inconsistency between the Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budget

The Project Implementing Entity, throughout Project implementation, furnish to the Association for approval as soon as available, but in any case not later than November 30 of each year, an annual work plan and budget for the activities under Component 2(c) of the Project 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 Component 2(c) of the Project.

D. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Subsidiary Agreement

1. The Project Implementing Entity shall duly perform all its obligations under the IBSL Subsidiary Agreement. Except as the Association shall otherwise agree, the Project Implementing Entity shall not take or concur in any action which would have the effect
of amending, abrogating, assigning or waiving the IBSL Subsidiary Agreement or any provision thereof.

2. At the request of the Association, the Project Implementing Entity, through the Recipient, shall exchange views with the Association with regard to the progress of the Project, the performance of its obligations under this Agreement and under the IBSL Subsidiary Agreement, and other matters relating to the purposes of the Credit.

3. The Project Implementing Entity, through the Recipient, shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Credit, or the performance by the Project Implementing Entity of its obligations under this Agreement and under the IBSL Subsidiary Agreement.

4. In the event of any inconsistency between the IBSL Subsidiary Agreement and this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the Operations Manual, acceptable to the Association. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient not later than one (1) month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than seven (7) days prior to the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.

2. Without limitation on the provision of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for its Respective
Part of the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

Section III. **Procurement**

All goods and services required for the Project Implementing Entity’s Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.