Dr. R.H.S. Samarathunga  
Secretary  
Ministry of Finance  
Colombo 1, Sri Lanka  

Re: Democratic Socialist Republic of Sri Lanka  
Ecosystem Conservation and Management Project (Credit No.5792-LK)  

Amendment to Financing Agreement  

Dear Dr. Samarathunga:  

We refer to the Financing Agreement ("Agreement") dated September 5, 2016 between the Democratic Socialist Republic of Sri Lanka ("Recipient") and the International Development Association ("Association") for the Ecosystem Conservation and Management Project ("Project").  

We also refer to the letter dated July 6, 2018 from the Ministry of National Policy and Economic Affairs, Department of External Resources, requesting a restructuring of the Project, which requires certain amendments to the Agreement. We take this opportunity to also update the name of the "Ministry of Sustainable Development and Wildlife" to "Ministry of Sustainable Development, Wildlife and Regional Development". We are pleased to inform you that after due consideration, the Association concurs with the request, and hereby amends the Agreement as set forth below, subsequent to the request.  

1. Wherever used in the Agreement, the "Ministry of Sustainable Development and Wildlife" is hereby replaced with "Ministry of Sustainable Development, Wildlife and Regional Development".  

2. The following revisions are introduced in Schedule 1, to include "Cash for Work Program" in Parts 1, 2 and 3 of the Project:  

(a) A new sub-paragraph (i) is hereby introduced in Part 1 to read as follows, and the existing sub-paragraph is numbered as (ii):  

"(i) Provision of Cash for Work Program."  

(b) A new sub-paragraph (i) is hereby introduced in Part 2 to read as follows, and the existing sub-paragraph is numbered as (ii):  

"(i) Provision of Cash for Work Program."  

(c) A new sub-paragraph (i) is hereby introduced in Part 3 to read as follows, and the existing sub-paragraph is numbered as (ii):  

"(i) Provision of Cash for Work Program."  

3. A new Section I.G. of Schedule 2 to the Agreement shall be added as follows:
“G. Cash for Work Program

1. The objective of the Cash for Work Program is to utilize the small scale, labor-intensive works to create short-term employment, where community contracting is a challenge.

2. The eligible communities are as follows: (a) those living adjacent to the Protected Areas; (b) those participating in the human-elephant co-existence models; and/or (c) those participating in the activities and/or plans under the Project.

3. The Recipient shall, appraise, approve and monitor the Cash for Work Program under the Project in accordance with the provisions and procedures set forth in this Section I.G, as further detailed in the Project Operational Manual, which, inter alia, shall include the following:

   (a) obligation of the FD and DWC to: (i) carry out the specified activities in accordance with sound technical, engineering, environmental, financial, managerial practices, and the Anti-Corruption Guidelines; and (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the specified activities;

   (b) the requirement that any small works and forest and habitat management shall be carried out in accordance with the Environmental Management Framework; and

   (c) the requirement that any purchase of goods necessary for small works or any forest and habitat management activities shall be procured in accordance with procedures ensuring efficiency and economy and provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the specified activities.”

4. Section IV.A.2 of Schedule 2 to this Agreement shall be deleted and replaced with the table in Annex to this letter.

5. The following new paragraphs are introduced in the Appendix, to read as follows:

   “30. ‘Cash for Work Program’ means the program under the Project to be implemented by the FD and the DWC in accordance with Section I.G of Schedule 2 to this Agreement and the Project Operational Manual, using direct labor in sites where community contracting is a challenge.

   31. ‘DWC’ means the Recipient’s Department of Wildlife Conservation under the Ministry of Sustainable Development and Wildlife and Regional Development, or any successor thereto.

   32. ‘FD’ means the Recipient’s Forest Department under the Ministry of Mahaweli Development and Environment, or any successor thereto.”
All other provisions of the Agreement, except as revised herein, remain unchanged.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. This amendment letter shall become effective as of the date of the countersignature, upon receipt by the Association of a duly countersigned original of this letter by an authorized representative of the Recipient.

Sincerely,

[Signature]

Valerie Marie Helene Layrol
Acting Country Director for Sri Lanka and Maldives
South Asia Region

AGREED:
Democratic Socialist Republic of Sri Lanka

By: __________________________
Name: Dr. R.H.S. Samaratunga
Title: Secretary, Ministry of Finance & Mass Media
Date: September 21, 2018
### Revised Withdrawal Table
Section IV.A.2 of Schedule 2 to the Agreement

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services and Training under Parts 1, 2 and 3 of the Project</td>
<td>3,400,000</td>
<td>100% until the date of countersignature of this Amendment</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, Incremental Operating Costs, and Training under Part 4 of the Project</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants’ services, Training and Incremental Operating Costs under Parts 1, 2 and 3 of the Project</td>
<td>24,535,000</td>
<td>100% after the date of the countersignature of this Amendment</td>
</tr>
<tr>
<td>(4) Payments made for the Work for Cash Program under the Project</td>
<td>3,915,000</td>
<td>100% of amount disbursed after the date of the countersignature of this Amendment</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>32,600,000</strong></td>
<td></td>
</tr>
</tbody>
</table>