Dr. P.B. Jayasundera  
Secretary  
Ministry of Finance & Planning  
The Secretariat  
Colombo 1  

Dear Dr. Jayasundera:  

Democratic Socialist Republic of Sri Lanka  
Public Sector Capacity Building Project (IDA Credit No. 4412-CE)  
Amendment to Financing Agreement

We refer to the Financing Agreement dated July 21, 2008, entered into between the Democratic Republic of Sri Lanka (the Recipient) and the International Development Association (the Association) for the above-referenced Project. We refer also to your letter dated August 4, 2010 requesting an amendment to the Financing Agreement.

We are pleased to inform you that the Association has agreed with your request and consequently proposes to hereby amend the Schedule 2, Section 1, Paragraph 2(b) of the Financing Agreement by the addition of the words “or any other person nominated by the Borrower, acceptable to Association” immediately after the words “Auditor General” appearing therein.

Please indicate your agreement to this amendment by signing the form of countersignature below and returning one original to us. Upon receipt of the countersigned original by us, this amendment shall come into force as of the date of counter-signature by you.

Sincerely,

INTERNATIONAL BANK DEVELOPMENT ASSOCIATION

/s/ Harsha Aturupane

Daniel Boyce  
[Acting] Country Director for Sri Lanka and Maldives

CONFIRMED

DEVELOPMENT ASSOCIATION

/s/ Dr. P. B. Jayasundera

By:

Name: __________________________

Title: __________________________

Date: __28 October, 2010__
RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF
PUBLIC SECTOR CAPACITY BUILDING PROJECT
LOAN
June 5, 2008

TO THE

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

October 18, 2010
ABBREVIATIONS AND ACRONYMS

AGD  Auditor General's Department
DCS  Department of Census and Statistics
GOSL Government of Sri Lanka

ICT  Information and Communication Technology
IDA  International Development Association
IT   Information Technology

Regional Vice President:  Isabel M. Guerrero
            Country Director:  Daniel J. Boyce
          Sector Manager / Director:  Joel Hellman
       Task Team Leader:  Farah Zahir
SRI LANKA
PUBLIC SECTOR CAPACITY BUILDING

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SUMMARY

The proposed change will amend the implementation arrangements specified in the Financing Agreement to allow in addition to the Auditor General, “any other person nominated by the Government of Sri Lanka, acceptable to IDA” to serve as the Project Director heading the Project Management Unit of the AGD component of the project.

PROJECT STATUS

Project status is summarized below. The objectives of the project are: To enhance the effectiveness, efficiency and productivity of two key public sector agencies, Department of Census and Statistics (DCS) and Auditor General’s Department (AGD) through an investment package that includes organizational strengthening, capacity building, information management, communication improvements, physical and information technology (IT) infrastructure, and Information and Communication Technology (ICT) support. The first component, Upgrading Statistical Capacity costs US$ 14.05 million of which US$ 12.05 million is from IDA. Improving Auditing Standards which is the second component costs US$ 12.05 million of which US$ 10.55 million is IDA financed.

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<th>Project Data</th>
<th>Project Performance Ratings</th>
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<tr>
<td>Approval Date: June 5, 2008</td>
<td>Achievement of PDO: Moderately Satisfactory (MS)</td>
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<td>Effectiveness Date: October 15, 2008</td>
<td>Implementation Progress: MS</td>
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<td>Original Closing Date: December 31, 2011</td>
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<td>Credit Amount for DCS component: US$ 12.05 millions</td>
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<td>Amount Disbursed (end Sept. 2010): USD 2.37 million</td>
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<tr>
<td>Credit Amount for AGD component: US$ 10.55 millions</td>
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<tr>
<td>Amount Disbursed (end Sept. 2010): USD 2.46 million</td>
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PROPOSED CHANGES

The change requested by the Department of External Resources, Ministry of Finance and Planning to IDA credit 4412-CE is to amend Clause 2(b) of Section 1 of Schedule 2 to
the Financing Agreement dated July 21, 2008, to insert the words "or any other person nominated by the GOSL, acceptable to IDA" immediately after the word "Auditor General" appearing in line 2 of Section 1.2(b).