Financing Agreement

(Climate Smart Irrigated Agriculture Project)

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — CREDIT

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of one hundred and twenty-five million dollars (USD 125,000,000), as such amount may be converted from time to time through a Currency Conversion ("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 Credit in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (¼ of 1%) of the Credit amount.

2.04. The Commitment Charge is one-quarter of one percent (¼ of 1%) per annum on the Unwithdrawn Credit Balance.

2.05. The Interest Charge is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.
2.06. The Payment Dates are February 15 and August 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Secretary, Ministry of Finance and Mass Media.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Department of External Resources
The Secretariat
Colombo 1, Sri Lanka; and

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:
94 11 2447633 dg@erd.gov.lk/ info@erd.gov.lk
94 11 2387153
5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Association's Electronic Address is:

Facsimile: E-mail:
1-202-477-6391 CD-SLMV@worldbank.org
AGREED as of the Signature Date.

DEMOCRATIC SOCIALIST REPUBLIC
OF SRI LANKA

By

Authorized Representative

Name: R.H.S. Samaratunga
Title: Secretary to the Treasury
Date: April 11, 2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Hartwig Schafer
Title: Vice President
Date: April 11, 2019
SCHEDULE 1

Project Description

The objective of the Project is to improve the productivity and climate resilience of smallholder agriculture in selected Hotspot Areas.

The Project consists of the following parts:

Part 1: Agriculture Production and Marketing

1.1 Climate Smart Agriculture and Water Technology

Promotion of adoption of climate smart agriculture, which includes demonstrating the effectiveness of climate smart agricultural practices and supporting the uptake of such practices, through, *inter alia*:

a. technical assistance to carry out assessments to identify appropriate technologies relevant to each mini-watershed, including climate impacts and gender analysis;

b. technical assistance to develop and deliver training on climate-resilient practices and technologies to extension agents of the government and private sector, including on the requirements for adoption;

c. delivery of agronomic extension services to PGs through effective extension approaches (e.g. field demonstrations, training events, etc.) including the use of proven water management and ICT technologies to facilitate adoption of climate resilient practices and technologies; and

d. capacity development for PGs and support to investments associated technology transfer to PGs on pilot basis.

1.2 Marketing

Strengthening the linkages between PGs and agriculture commodity markets, which includes up-gradation and/or rehabilitation of critical market infrastructure, supporting farmers to access markets and develop sustainable linkages to agri-business, through, *inter alia*:

a. common infrastructure, including agricultural roads, for agri-commodity marketing and the construction and/or upgrading of CSCs; and

b. technical assistance to support PGs to commercialize and link with agri-business in commodity value chains.
Part 2: Water for Agriculture

2.1 Rehabilitation of Irrigation Systems

Supporting the rehabilitation of irrigation systems based on plans derived from hydrologic modelling accounting for projected climate change in the project areas, through *inter alia*:

a. technical assistance to support hydrology modelling and the preparation of Hotspot Area water management plans at the hotspot, mini-watershed within the Hotspot Areas including tank cascade systems, stand-alone irrigation systems and rainfed agriculture systems, and local administrative levels;
b. rehabilitation, modernization and repair of existing cascade tanks and individual village tanks, construction of recharge wells in the tank beds, and flood protection infrastructure; and
c. field implementation of watershed treatment and water harvesting works.

2.2 Operation and Maintenance of Irrigation Systems

Ensuring the sustainable operation and maintenance of tank systems at the individual tank level and systemwide, by *inter alia*:

a. establishing cascade management committees for each of the cascades of minor irrigation tanks within the watershed-based boundary of the Hotspot Areas;
b. strengthening FOs that have been set up to manage each tank; and
c. designing and implementing a monitoring system for water use and availability.

Part 3: Project Management

Overall Project management and coordination, including support for PMU, DPD Offices, Provincial DPD Offices and other agencies; monitoring and evaluation, including development of ICT-based management system; development of agricultural data system at all levels; information, education and communication campaigns; monitoring of environmental and social safeguard policies; baseline study and impact assessments; and auditing and geo-tagging of assets.

Part 4: Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for the implementation of the Project activities in the Ministry of Agriculture, Rural Economic Affairs, Livestock Development, Irrigation and Fisheries & Aquatic Resources ("MAREALDIFAR"), assisted by the Irrigation Department, and the Ministry of Internal & Home Affairs, Provincial Councils and Local Government ("MIHAPCLG"). To this end, the Recipient shall:

At the central level

a. maintain throughout the period of Project implementation, the Project Coordination Committee ("PCC") established within the Ministry of National Policies, Economic Affairs, Resettlement & Rehabilitation, Northern Province Development, Vocational Training & Skills Development and Youth Affairs ("MNPEARRNPDVTSDYA"), which shall be responsible for providing policy guidance and facilitating the smooth implementation of the Project;

b. by no later than (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, the National Project Steering Committee ("NPSC") within the MAREALDIFAR, which shall be responsible for undertaking overall oversight over Project implementation, coordinating between the central and provincial institutions; approving the annual work program and budget for the Project; and endorsing working arrangements with strategic partners;

c. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a Project Management Unit ("PMU") within the MAREALDIFAR, which shall be headed by a full-time Project director appointed by MAREALDIFAR, and which shall be provided with competent, experienced and qualified staff in sufficient numbers and under terms of reference acceptable to the Association, to carry out the day-to-day implementation of the Project, including: (i) ensuring that all activities are planned, financed and implemented as per the Project work program and budget and the Project Implementation Plan ("PIP"); (ii) ensuring that procurement and financial management activities are carried out timely and in accordance with policies and procedures acceptable to the Association; (iii) ensuring that social and environmental safeguard requirements are fully complied with; (iv) monitoring Project
activities; and (v) preparing and submitting to the Association Project financial and progress reports;

d. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a Deputy Project Director’s Office (“DPD Office”) each within the Irrigation Department and MIHAPCLG, which shall be responsible, inter alia, for ensuring implementation of Project activities with support of relevant stakeholders; preparing annual work plans and budget; procuring and managing contracts; withdrawing funds and managing finances including financial reporting; making field supervision; and organizing training and capacity building for staff;

At the provincial level

e. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a Provincial Deputy Project Director’s Office (“Provincial DPD Office”) in each Participating Province to carry out the implementation of Project activities within the province;

At the district level

f. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a District Unit of the respective Provincial DPD Office within each of the districts of Killinochchi, Kurunegala, Anuradhapura, Trincomalee, Hambantota and Moneragala, coordinated by the respective district secretary and supported by officials from the respective provincial councils, to carry out the implementation of Project activities within the district and to coordinate among all agencies involved in Project implementation at the district level;

g. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a District Office in each of the districts of Puttalam, Batticaloa, Mullaitivu, Polonnaruwa and Ampara, within the respective office of assistant commissioner of agrarian development, and supported by officials from the respective provincial councils, to carry out the implementation of Project activities within the district and to coordinate among all agencies involved in Project implementation at the district level;

h. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a Project Appraisal Team (“PAT”) at the district secretariat of each of the Project Districts, to be headed by the respective district planning director, in order to appraise Project
activities; ensure compliance with Project procedures and guidelines; and assist in Project monitoring;

i. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, an Advisory Committee within each of the Project Districts, to be headed by the respective district secretary, to provide guidance on the implementation of Project activities at the district level; and

At the divisional level

j. by no later than three (3) months after the Effective Date, establish, and maintain throughout the period of Project implementation, a Divisional Unit of the respective Provincial DPD Office for each division within each Project District, to be set up at the respective Agrarian Service Center ("ASC") and to be headed by the divisional officer of the ASC, to coordinate with provincial and district level entities in the implementation of Project activities within the division.

B. Project Implementation Plan

1. The Recipient shall:

a. prepare, approve and adopt a Project Implementation Plan ("PIP") in a manner and substance satisfactory to the Association, and thereafter carry out the Project in accordance with the provisions of the PIP, which shall include, inter alia: (i) the details of the Project activities including results framework and overall budget; (ii) the Project implementation arrangements; (iii) the Project’s financial management and procurement requirements; (iv) the Project’s environmental and social safeguard requirements; and (v) the Project’s monitoring and evaluation, and reporting requirements, and pro-forma for Project Reports; and

b. refrain from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating any provision of the PIP, whether in whole or in part, without the prior written concurrence of the Association.

2. In the event of any inconsistency between the provisions of the PIP and those of this Agreement, this Agreement shall govern.
C. Safeguards

1. The Recipient shall:
   
   a. ensure that the Project is implemented in accordance with the Environmental Assessment and Management Framework ("EAMF"), the Resettlement Policy Framework ("RPF"), the Pest Management Plan ("PMP") and any additional Strategic Environmental and Social Assessments ("SESAs") and Environmental Management Plans ("EMPs") required to be prepared and implemented (collectively, referred to as the "Safeguard Documents"); and

   b. refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver and/or voidance of any provision of the Safeguard Documents, whether in whole or in part, without the prior written concurrence of the Association.

2. In case of any inconsistencies between the provisions of any of the Safeguard Documents and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Contingent Emergency Response Mechanism

1. In order to ensure proper implementation of Part 4 of the Project ("CER Part"), the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, an Annex to the PIP ("CER Annex") which shall set forth detailed implementation arrangements for the CER Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for the coordination and implementation of the CER Part ("Coordinating Authority"); (ii) specific activities which may be included in the CER Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the CER Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard instruments, including management frameworks, assessments and/or plans for the CER Part consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Part;
(b) afford the Association a reasonable opportunity to review said proposed CER Annex;

(c) promptly adopt the CER Annex for the CER Part as shall have been approved by the Association;

(d) ensure that the CER Part is carried out in accordance with the CER Annex, provided however that in the event of any inconsistency between any of the provisions of the CER Annex and those of this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive, whether in whole or in part, any provision of the CER Annex without the prior approval by the Association.

2. After the Recipient has determined that an Eligible Crisis or Emergency has occurred, it shall prepare and furnish to the Association for its review and approval, in accordance with the provisions set forth in the CER Annex, a Contingent Emergency Response Implementation Plan ("CERIP") which shall set forth detailed arrangements for the activation of CER Part, including: (i) specific activities to be financed out of the Emergency Expenditures; (ii) itemized costs for each expenditure item; (iii) implementation arrangements for the CER Part, as defined in the CER Annex or with proposed amendments; (iv) procurement plan for the CER Part; (v) details regarding compliance with environmental and social safeguard instruments; and (vi) any other arrangements necessary to ensure proper implementation of the CER Part.

3. The Recipient shall, throughout the period of implementation of the CER Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

4. The Recipient shall undertake no activities under the CER Part (and no activities shall be included in the CER Part) unless and until the following conditions have been met in respect of said activities:

   (a) (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred; (ii) the Recipient has furnished to the Association a request to include said activities in the CER Part in order to respond to said Eligible Crisis or Emergency; and (iii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

   (b) (i) the Recipient has prepared and disclosed all safeguard instruments required for said activities, in accordance with the CER Annex; (ii) the Association has approved all such instruments; and (iii) the Recipient has
implemented all actions which are required to be taken under said instruments prior to the commencement of such activities.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Credit

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Credit to: (a) finance Eligible Expenditures; (b) repay the Preparation Advance; and (c) pay: (i) the Front-end Fee and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project</td>
<td>124,487,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Emergency Expenditures for the CER Part</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>200,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>312,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with</td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed five million United States dollars (USD 5,000,000) may be made for payments made prior to this date but on or after July 1, 2018 for Eligible Expenditures under Category (1); or

   (b) under Category (2), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met:

   (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include certain activities in the CER Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request, and notified the Recipient thereof;

   (ii) the Recipient has prepared and disclosed all safeguard instruments, acceptable to the Association, required for said activities, and has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D.1(a)(vi) of this Schedule 2 to this Agreement;

   (iii) the Recipient has provided sufficient evidence satisfactory to the Association that the Coordinating Authority has adequate staff and resources, in accordance with the provision of Section I.D.3 of this Schedule 2 to this Agreement, for the purposes of said activities;
(iv) the Recipient has adopted a CER Annex, as part of the PIP, in form, substance and manner acceptable to the Association and the provisions of said CER Annex remain, or have been updated in accordance with the provisions of Section I.D.1(a) of this Schedule 2 to this Agreement, so as to be appropriate for the inclusion and implementation of said activities under the respective CER Part; and

(iv) the Recipient has prepared and submitted to the Association a CERIP, in form, substance and manner acceptable to the Association, in accordance with the provisions of Section I.D.2 of this Schedule 2 to this Agreement, and the Association has reviewed and approved the CERIP.

2. The Closing Date is June 30, 2024.
SCHEDULE 3
Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Credit and the percentage of the total principal amount of the Credit payable on each Principal Payment Date ("Installment Share").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15 Beginning August 15, 2031 through August 15, 2045</td>
<td>3.33%</td>
</tr>
<tr>
<td>On February 15, 2046</td>
<td>3.43%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. "Advisory Committee" means the unit referred to in Section I.A.1(i) of Schedule 2 to this Agreement.

2. "Affected Person" means a person who, on account of the execution of the Project, experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

3. "Agrarian Service Center" and the acronym "ASCs" means a decentralized unit of the Recipient’s Department of Agrarian Development which farmer can directly access regarding farming services.

4. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

5. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

6. "CER Annex" means an annex to the PIP referred to in Section I.D.1 of Schedule 2 to this Agreement, acceptable to the Association, to be adopted by the Recipient for the implementation of the CER Part, in accordance with the provisions of said Section.

7. "CER Part" means Part 4 of the Project, as described in Schedule 1 to this Agreement.

8. "Common Service Centers" and the acronym "CSC" means a small-scale aggregated facility owned, managed and operated by PGs, to facilitate PGs to undertake commercial activities such as bulk purchase of inputs for sale, marketing of produce, and grading and quality control; and enable PGs to access distant and higher value markets and bypass localized market inequities.

9. "Contingent Emergency Response Implementation Plan” or the acronym “CERIP” means the action plan referred to in Section I.D.2 of Schedule 2 to this Agreement,
acceptable to the Association to be prepared by the Recipient for the implementation of the CER Part, in accordance with the provision of said Section.

10. “Coordinating Authority” means the entity or entities designated by the Recipient in the CER Annex, and approved by the Association pursuant to Section I.D.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating the CER Part of the Project.

11. “Deputy Project Director’s Office” and the acronym “DPD Office” means the unit referred to in Section I.A.1(d) of Schedule 2 to this Agreement.

12. “District Office” means the unit referred to in Section I.A.1(g) of Schedule 2 to this Agreement.

13. “District Unit” means the unit referred to in Section I.A.1(f) of Schedule 2 to this Agreement.

14. “Divisional Unit” means the unit referred to in Section I.A.1(j) of Schedule 2 to this Agreement.

15. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

16. “Emergency Expenditures” means any of the Eligible Expenditures set forth in the CER Annex, in accordance with the provision of Section I.D of Schedule 2 to this Agreement, and required for the activities described in such annex to be financed under the CER Part.

17. “Environmental Assessment and Management Framework” and the acronym “EAMF” means the Recipient’s framework dated May 31, 2018, and disclosed on June 15, 2018, which sets forth: (a) the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental impacts associated with Project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting; and (b) the social impact assessments and mitigation procedures and arrangements and grievance redress procedures for assessing and addressing any Project social impacts; as such framework may be amended from time to time with the prior written concurrence of the Association.

18. “Environmental Management Plan” or “EMP” means any environmental management plan prepared by the Recipient, satisfactory to the Association, which details: (a) the measures to be taken during the implementation and operation of the Project to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels;
and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association’s prior written agreement.

19. “Farmer Organization” and the acronym “FO” means an association of producers, including farmers, fishers and livestock keepers, within the tank cascade system, including the catchment and command area, and any small and marginal producers relying on groundwater or rain-fed agriculture in the cascade, established under Recipient’s Agrarian Development Act of 2000.


21. “Hotspot Area” means a geographic extent where farmers and farming livelihoods are vulnerable to increasing climatic variability, as identified by the Recipient in accordance with the procedures laid down in the PIP.

22. “ICT” means information and communications technology.

23. “Incremental Operating Cost” means the reasonable costs of goods and services required for the day-to-day implementation of the Project, including, costs of maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, communication, office rental and maintenance, bank charges, advertising expenses, travel of staff (including per diems and accommodation), and salaries of selected contracted support staff, but excluding salaries and salary top-ups of civil servants of the Recipient.

24. “Irrigation Department” means the Recipient’s Irrigation Department, or any successor thereto.


National Policies, Economic Affairs, Resettlement & Rehabilitation, Northern Province Development, Vocational Training & Skills Development and Youth Affairs or any successor thereto.

28. “National Project Steering Committee” and the acronym “NPSC” means the committee referred to in Section I.A.1(b) of Schedule 2 to this Agreement.

29. “Participating Province” means any of the Recipient’s province of Northern Province, Eastern Province, North Central Province, North Western Province, Southern Province and Uva.

30. “Pest Management Plan” and the acronym “PMP” means the Recipient’s plan dated May 31, 2018, and disclosed on June 15, 2018, prepared in form and substance satisfactory to the Association, and containing, the processes and actions to improve the procurement, handling, storage, use and disposal of pesticides and to promote integrated pest and nutrient management with the objective of reducing the use of pesticides and other agro-chemicals in agriculture, as amended from time to time with the prior concurrence of the Association.

31. “Preparation Advance” means the portion of the advance referred to in Section 2.07 (a) of the General Conditions, granted by the International Bank for Reconstruction and Development (“Bank”) to the Recipient pursuant to the letter agreement signed on behalf of the Bank on January 26, 2018 and on behalf of the Recipient on January 30, 2018, as amended from time to time.


33. “Producer Group” and the acronym “PG” means a group of farmers engaged in climate smart agriculture activities in an irrigation scheme.

34. “Project Appraisal Team” and the acronym “PAT” means the unit referred to in Section I.A.1(h) of Schedule 2 to this Agreement.

35. “Project Coordination Committee” and the acronym “PCC” means the committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

36. “Project District” means any of the Recipient’s district of Ampara, Anuradhapura, Batticaloa, Hambantota, Killinochchi, Kurunegala, Moneragala, Mullaitivu, Polonnaruwa, Puttalam and Trincomalee.

37. “Project Implementation Plan” and the acronym “PIP” means the implementation manual of the Recipient for the Project, prepared, adopted and approved pursuant
to Section I.B of Schedule 2 to this Agreement, as may be amended from time to time with the prior written concurrence of the Association.

38. “Project Management Unit” and the acronym “PMU” means the unit referred to in Section I.A.1(c) of Schedule 2 to this Agreement.

39. “Provincial Deputy Project Director’s Office” or “Provincial DPD Office” means the unit referred to in Section I.A.1(e) of Schedule 2 to this Agreement.

40. “Resettlement Action Plan” and the acronym “RAP” means each resettlement action plan to be prepared under the Project in accordance with the RPF, each such plan in form and substance satisfactory to the Association, and containing, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms; as each RAP may be amended from time to time with the prior concurrence of the Association.

41. “Resettlement Policy Framework” and the acronym “RPF” means the framework included in the EAMF, setting forth the guiding principles, acceptable standards and procedures for: (a) the identification of any Affected Persons on account of Project implementation; and (b) the preparation of their prescribed RAPs.

42. “Safeguard Documents” means, collectively, the EAMF and the RPF, and other plans and documents prepared or to be prepared, including the PMP, SESAs and EMPs, pursuant to Section I.C of Schedule 2 to this Agreement.

43. “Strategic Environmental and Social Assessment” or “SESA” means any document prepared and adopted by the Recipient, acceptable to the Association, setting out details of potential environmental and social risks and adverse impacts associated with any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.

44. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

45. “Training” means reasonable costs of trainings, seminars, workshops, conferences, study tours, conducted in the territory of the Recipient and/or overseas, including: fees of training institutions and courses; domestic and international travel costs,
lodging costs, and subsistence/per diem allowances for both trainers and trainees; rental of training facilities; and preparation, purchase or reproduction of training materials; all in direct relation to the Project.