Financing Agreement

(Second Additional Financing for Road Sector Assistance Project)

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 29, 2011
FINANCING AGREEMENT

AGREEMENT dated April 29, 2011 entered into between the DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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) 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 General Conditions, in the Appendix to this Agreement or, where not otherwise defined, in the Original Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to Sixty Three Million Six Hundred Thousand Special Drawing Rights (SDR 63,600,000) variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MOPH and RDA in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, that the Road Development Authority (Special Provisions) Act No. 5 of 1988 (as amended up to the date of this Agreement) shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of RDA to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in the preceding paragraph shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Recipient.

ARTICLE V — TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.02. For purposes of Section 8.05(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 date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Secretary, Ministry of Finance and Planning, or any other person nominated for this purpose by said Secretary.
6.02. The Recipient’s Address is:

Ministry of Finance and Planning
The Secretariat
Colombo 1, Sri Lanka

Telex:       Facsimile:
FINMIN 21409  94-112-449823
FORAID21232  94-112-447633

6.03. The Association’s Address is:

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

Cable:       Telex:       Facsimile:
INDEVAS 248423 (MCI)  1-202-477-6391
Washington, D.C.

AGREEED in Colombo, Sri Lanka, as of the day and year first above written.

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By /s/ P.B. Jayasundera

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Diarietou Gaye

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to lower transportation costs through sustainable delivery of an efficient national road system.

The Project consists of the following parts:

PART A: Rehabilitation of Priority National Roads in the East-West corridor providing connectivity to the Northern Province

Re-surfacing and improvement of approximately 134 km of “A” class roads providing connectivity to the Northern and Eastern provinces of the Recipient, including design review and supervision of selected sections as follows:

1. Phase 1 – Rehabilitation of 43 km of roads from Kanthale to Trincomalee on the A6.
2. Phase 2 – Rehabilitation of 91 km of roads from Ambepussa to Dambulla on the A6.

Part B: Institutional Strengthening and improvements in Asset Management Practices

1. Periodic maintenance of the Recipient’s roads included in the Annual Maintenance Plan.
2. Provision of technical assistance to RMTF in the area of road maintenance.
3. Strengthening the capacity of RDA to manage and support the Recipient’s roads.
4. Provision of technical assistance to agencies of the Recipient, identified through a capacity assessment exercise, in the area of road safety.
SCHEDULE 2
Project Execution

Section I.  Implementation Arrangements

A.  Overall Institutional Arrangements

1. (a) The Recipient shall maintain, throughout implementation of the Project, a national steering committee responsible for monitoring the implementation of the Project, headed by the Secretary of MOPH and composed, in addition, of *inter alia*: (i) the Chairman of RDA; (ii) the Director General of RDA; (iii) representatives of MOFP; and (iv) the Chairman of the Road Safety Council.

(b) The Recipient, through RDA, shall maintain, under terms and conditions satisfactory to the Association, a fully integrated management information system for, *inter alia*, accounting, procurement, and monitoring and evaluation of the progress of Project implementation.

B.  Institutional Arrangements for Part A of the Project

1. (a) For purposes of ensuring proper implementation of Part A, B.3 and B.4 of the Project, the Recipient shall maintain the PMU within RDA throughout Project implementation, under terms of reference satisfactory to the Association. The PMU shall be headed by a Project director and provided with adequate resources and suitably qualified and experienced staff in adequate numbers, all satisfactory to the Association.

(b) The PMU shall be responsible, *inter alia*, for: (i) the overall coordination of the implementation of Parts A, B.3 and B.4 of the Project; (ii) all pre-construction activities, and the procurement of goods, works and services for Part A of the Project; (iii) the monitoring and implementation of all environmental management plans and Resettlement Action Plans to be prepared pursuant to the ESMF under Part A and B.1 of the Project; and (iv) the financial management and procurement processes under Parts A, B.3 and B.4 of the Project.

(c) Without limitation upon the provisions of the preceding paragraphs, for purposes of ensuring proper implementation of Part A.1 of the Project, the Recipient shall maintain the PCU, within RDA, headed by a team leader and staff with qualifications and terms of reference acceptable to the Association, and provided with adequate resources.
C. Institutional Arrangements for Part B of the Project

1. For the purpose of ensuring proper coordination and execution of Parts B.1 and B.2 of the Project, the Recipient shall establish, and thereafter maintain throughout Project implementation, a secretariat within the RMTF with terms of reference and staff having qualifications acceptable to the Association, and provided with adequate resources.

D. Staffing and Contracts

Throughout Project implementation, the Recipient shall maintain RDA with adequate staffing at appropriate levels as shall be agreed from time to time with the Association.

E. Environmental and Social Safeguards

1. (a) The Recipient shall: (i) carry out Parts A and B.1 of the Project in accordance with the ESMF, and any EMP and RAP prepared thereunder; and (ii) not amend, suspend or waive provisions any of the afore-mentioned instruments without the prior written consent of the Association.

(b) Without limitation upon the provisions of the preceding paragraph, the Recipient shall: (i) prepare, in accordance with the ESMF, an environmental assessment and an EMP for each civil work contact/activity under Parts A and B.1 of the Project; (ii) ensure that such contracts/activities are implemented in accordance with the said EMP; (iii) ensure that, whenever provisions of the relevant EMP are varied or altered, such variation/alteration shall be appropriate, necessary and minimized, and that adequate mitigation measures shall be identified and incorporated in the design of the Project, as shall be acceptable to the Association; and (iv) undertake regular environmental appraisal, supervision, monitoring and evaluation of the Project’s implementation, all in accordance with guidelines and procedures satisfactory to the Association.

F. RMTF

1. Unless the Association shall otherwise agree, the Recipient, through MOPH, shall, in order to meet the maintenance requirements for the national road network, make such budgetary allocations to RMTF for calendar years 2011-2013 in an amount equivalent to: (a) no less than LKR Five Billion (5,000,000,000) for calendar year 2011; (b) no less than LKR Five Billion five hundred million (5,500,000,000) for calendar year 2012; and (c) no less than LKR Six Billion (6,000,000,000) for calendar year 2013.
2. Without limitation upon the provisions of Section II of this Schedule 2, the Recipient shall cause RMTF to prepare and publish an annual report for each year, no later than six (6) months from the end of the corresponding calendar year, such report to include RMTF’s audited financial statements, criteria for the selection of roads to be maintained, budget allocation, and the results of RMTF’s technical and financial audits.

G. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

H. Other Covenants

1. The Recipient shall, by August 31 in each year until completion of the Project, carry out an annual technical audit, and a review of civil works and consultancy contracts under implementation under Part A of the project, all in accordance with a methodology agreed with the Association.

2. Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient shall provide all funds required to carry out the Project in excess of the amount of the Financing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set out in Attachment 1 to this Schedule. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than four (4) months after the Closing Date.

3. The Recipient shall: (i) share with the Association for its review and comments, no later than January 31 in each year until completion of the Project, the Annual Maintenance Plan; and (ii) continue to carry out, by August 31 of each year, an
annual road condition and traffic survey of the core national road network, all in accordance with the methodology agreed with the Association.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

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

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Works, goods and non consultants services. All works and goods required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Works, Goods and non-Consultant’s services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, works, goods and non-Consultant’s services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Works, Goods and non-Consultant’s services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for works, goods and non-consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the additional procedures set forth in Attachment 2 to this Schedule</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Force Account</td>
</tr>
<tr>
<td>(e) Community Participation</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Fixed Budget Selection</td>
</tr>
<tr>
<td>(c) Least-cost Selection</td>
</tr>
</tbody>
</table>
(d) Selection Based on Consultants’ Qualifications

(e) Single Source Selection

(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants

(g) Sole Source Procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, goods, consultant services, non-consultant services, training and incremental operating costs under Parts A, B.3 and B.4 of the Project</td>
<td>56,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) (a) Works under Part B.1 of the Project</td>
<td>6,370,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) (b) Goods, consultants’ services, non-consultant services, training and incremental operating costs under Part B.2 of the Project</td>
<td>330,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>63,600,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

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

   (a) for payments made prior to the date of this Agreement; and

   (b) from Categories (2)(a) and (2)(b) until the Association has received evidence, satisfactory to the Association, that the Deed of Trust has been approved by the relevant authorities, and the Recipient has employed individuals, with qualifications and terms of reference acceptable to the Association, for the positions of Secretary, Highway Engineer and Finance Manager for RMTF as provided for in Schedule 2, Section I, Part C to this Agreement.

2. The Closing Date is September 30, 2014.
3. The closing date stated in Section 2.03 of the Original Agreement and the closing date stated in Schedule 2, Section IVB.2 of the First Additional Financing Agreement are hereby amended to read “September 30, 2014”.

### ATTACHMENT 1 TO SCHEDULE 2

**Project Performance Indicators**

<table>
<thead>
<tr>
<th>Revisions to the Results Framework</th>
<th>Comments/ Rationale for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PDO</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Original (PAD)</strong></td>
<td><strong>Proposed</strong></td>
</tr>
<tr>
<td>To lower transportation costs through sustainable delivery of an efficient national road system.</td>
<td>No change</td>
</tr>
</tbody>
</table>

| **PDO indicators**                |                                |
| **Original (PAD)**                | **Proposed change**            |
| Reduction in average network Vehicle Operating Costs (VOC) for average vehicle | No change                     |
| Reduction in Average Network Roughness (IRI); | No change                     |
| Reduction in percentage of the Network in poor and bad condition; | No change                     |
| Routine and Periodic Maintenance Funding for National Roads Increased | Progressive increase in annual road maintenance expenditure | The term “progressive” was added to capture annual improvements over the life of the project. Unit of currency changed from US$ to LKR. |
| NA                                | Improved level of satisfaction of road-users | New indicator |

<p>| <strong>Intermediate Results indicators</strong> |                                |
| <strong>Original (PAD)</strong>                | <strong>Proposed change</strong>            |
| About 620 km of national roads resurfaced | About 134 Km of national roads resurfaced. | Scaled-up activities therefore baseline and target values will be revised. |
| Reduction in network IRI for Project roads | Reduction in network IRI for Project roads | Project baseline and target value will be revised. |
| NA                                | Reduced travel time on project roads | Under the parent project this |</p>
<table>
<thead>
<tr>
<th>Revisions to the Results Framework</th>
<th>Comments/ Rationale for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>indicator was only measured for rural roads.</td>
</tr>
<tr>
<td>NA</td>
<td>About 60 km of national roads on which periodic maintenance has been carried out New indicator</td>
</tr>
<tr>
<td>NA</td>
<td>Annual Road Maintenance program is approved by the Board of Trustees New indicator</td>
</tr>
</tbody>
</table>
ATTACHMENT 2 TO SCHEDULE 2

Requirements under National Competitive Bidding (NCB)

In order to ensure economy, efficiency, transparency and broad consistency with the provisions of the Procurement Guidelines, goods, works, and non consultant services procured under the National Competitive Bidding procedures shall be subject to the following requirements:

1. Only the model bidding documents for NCB agreed with the Bank shall be used for bidding;

2. Invitations for bids will be advertised in at least one widely circulated national daily newspaper, and bidding documents will be made available at least twenty-one (21) days before, and issued up to, the deadline for submission of bids;

3. Qualification criteria will be stated in the bidding documents, and if a registration process is required, a foreign firm declared as the lowest evaluated responsive bidder shall be given a reasonable time for registering, without let or hindrance;

4. Bids will be opened in public in one location, immediately after the deadline for the submission of bids, as stipulated in the bidding document (the bidding document will indicate the date, time and place of bid opening);

5. Except in cases of force majeure or exceptional situations beyond the control of the implementing agency, the extension of bid validity will not be allowed;

6. Bids will not be rejected merely on the basis of a comparison with an official estimate;

7. Except with the prior concurrence of the Bank, there will be no negotiation of price with bidders, even with the lowest evaluated bidder;

8. A bidder’s bid security will apply only to the specific bid, and a contractor’s performance security will apply only to the specific contract under which they are furnished; and

9. Bids will not be invited on the basis of percentage premium or discount over the estimated cost, unless agreed with the Bank.
**SCHEDULE 3**

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15, commencing May 15, 2021, to and including November 15, 2030</td>
<td>5%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Definitions


2. “Annual Maintenance Plan” means the plan for the maintenance of the Recipient’s roads to be prepared by the Recipient by January 31 each year and approved by the Association until completion of the Project.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Environmental and Social Management Framework” and “ESMF” mean the Recipient’s framework for undertaking environmental and social analysis and developing mitigation measures for all Project activities, acceptable to the Association, publicly disclosed on February 11, 2011 and providing, among other things, for: (a) the institutional arrangements for implementation of environmental safeguards in the carrying out of the Project; (b) details of potential environmental issues that may arise under the proposed civil works and the necessary background for environmental considerations to be built into the design of the Project; (c) detailed guidelines on when and how to prepare Environmental Management Plans (EMPs); (d) guidelines and procedures for social safeguard screening and impact assessment, including guidelines and procedures for stakeholder consultation and participation; (e) land acquisition and resettlement principles and objectives, and design criteria to be applied to resettlement under the Project; (f) measures to monitor activities for significant social impacts, and, if necessary, to assist in mitigation of such impacts; (g) guidelines for preparation of RAPs (as hereinafter defined) required pursuant to the ESMF; (h) a compensation/entitlement matrix developed to compensate any persons affected by any such resettlement; and (i) a grievance redress mechanism.


6. “First Additional Financing Agreement” means the development credit agreement for an additional financing for the Road Sector Assistance Project between the Recipient and the Association, dated September 16, 2008 (Credit No. 4429-CE).

8. “Incremental Operating Costs” means the reasonable incremental recurrent expenditures incurred by the Recipient on account of the Project including expenditures for traveling and subsistence expenses, office supplies, vehicle rental charges (including insurance), vehicle operating charges (fuel, maintenance, and insurance), maintenance of office equipment, telephone and other communications charges, office rent, bank charges, advertising costs, salaries and contractual allowances of contract staff, allowances of officials of the Recipient's civil and public service, but excluding salaries of officials of the Recipient's civil and public service.

9. “MOPH” means the Recipient’s Ministry of Ports and Highways or any successor thereto.

10. “Original Financing Agreement” means the development credit agreement for a Road Sector Assistance Project between the Recipient and the Association, dated January 16, 2006 (Credit No. 4138).

11. “Original Project” means the Project described in the Original Financing Agreement.

12. “PCU” means the Project Consultancy Unit to be maintained within RDA, as provided for in Schedule 2, Section 1.B.1(c) of this Agreement, for the purpose of managing the implementation of Part A.1 of the Project.

13. “PMU” means the Project management unit to be maintained within RDA, as provided for in Schedule 2, Section 1.B. 1(a) of this Agreement, for the purpose of overall coordination of the management of the Project, or any successor thereto.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 28, 2011 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

16. “RAP” means the Recipient’s Resettlement Action Plan, acceptable to the Association, publicly disclosed on February 11, 2011, and such other Resettlement Action Plan or plans, acceptable to the Association, to be prepared
by the Recipient pursuant to the ESMF to regulate involuntary resettlement under the Project.

17. “RMTF” means the Road Maintenance Trust Fund established by the Recipient for the purposes of managing the funds for road maintenance, including improving transparency in the allocation of resources and disbursement of funds for road maintenance as well as efficient monitoring of the maintenance program and that will manage the implementation of Part B.1 and B.2 of the Project, or any successor thereto.

18. “Road Safety Council” means the council established under the Ministry of Transport by the Recipient’s Motor Traffic (amendment) Act No. 5 of 1998, for the purposes of ensuring the safety of roads in the territory of the Recipient, or any successor thereto.