December 22, 2015

Dr. R.H.S. Samarathunga
Secretary
Ministry of Finance
The Secretariat
Colombo 1

Dear Dr. Samarathunga:

Sri Lanka: Increasing Household Access to Domestic Sanitation in Greater Colombo Project (GPOBA Grant Number TF099870)

Amendment to Grant Agreement

I refer to the Grant Agreement dated December 27, 2011 between the Democratic Socialist Republic of Sri Lanka (the “Recipient”) and the International Bank for Reconstruction and Development and International Development Association (collectively, the “World Bank”) for the above-referenced Project (the “Grant Agreement”). I also refer to your letter dated March 24, 2015 requesting an amendment to the Grant Agreement to extend the Closing Date and facilitate implementation of the Project.

I am pleased to inform you that after due consideration, the World Bank has agreed with your request and hereby proposes to amend the Grant Agreement as follows:

1. Section I.A.8(b) of Schedule 2 is amended to read as follows:

   “(b) Output under Part B – Improved on-site sanitation systems and services:

   (i) 80% of the per household Subsidy amount will be paid once the household’s on-site sanitation facilities are built, replaced or upgraded and their operations are verified (on a sample basis) by the IVA; and

   (ii) the remaining 20% will be paid after the first desludging service has been provided and at least six (6) months of continuous operation of the household’s new, replaced or upgraded on-site sanitation facilities.”

2. The Closing Date in Section IV.B.2 of Schedule 2 is extended to December 31, 2017.

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3. The definition in paragraph (j) of the Appendix is amended to read as follows:

“(j) ‘Project Implementation Manual’ means the manual dated August 30, 2011, prepared by the Project Implementing Entity, satisfactory to the World Bank, setting forth the implementation rules and procedures for the Project as described in Section I of Schedule 2 to this Agreement; as said manual may be amended from time to time with the prior written approval of the World Bank.’

Except as specifically amended by this amendment letter, all other provisions of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement to the amendments set out above by having an authorized representative of the Recipient sign and date the form of confirmation on the enclosed duplicate original of this letter and returning it to us for our files. Upon receipt of the copy of this letter countersigned on behalf of the Recipient, this amendment letter shall become effective as of the date of the countersignature.

Sincerely,

[Signature]

Darshani De Silva
Acting Country Director - Sri Lanka and Maldives

Confirmed and agreed:
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Signature: __________________________
Name: R.H.S. Samarathunga
Title: Secretary, Ministry of Finance
Date: 30/12/2015
cc:
Mr. B M U D Basnayaka, Secretary, Ministry of City Planning and Water Supply
Mr. R M P Ratnayake, Director General, Department of External Resources, Ministry of National Policies and Economic Affairs
Mr. S S Mudalige, Director General, Department of National Planning, Ministry of National Policies and Economic Affairs
Mr. B W R Balasuriya, General Manager, National Water Supply and Drainage Board
Mr. G A Kumararathna, Additional General Manager - Sewerage and Drainage, National Water Supply and Drainage Board
Mr. D P M Chandana, Project Director, GPOBA Project, National Water Supply and Drainage Board