

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 5792-LK

Financing Agreement

(Ecosystem Conservation and Management Project)

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 05 , 2016

CREDIT NUMBER 5792-LK

FINANCING AGREEMENT

AGREEMENT dated September 05, 2016, entered into 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) 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 or in the Appendix to this 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 thirty two million six hundred thousand Special Drawing Rights (SDR 32,600,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

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 through its Ministry of Mahaweli Development and Environment and Ministry of Sustainable Development and Wildlife 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Secretary, Ministry of Finance.
- 5.02. The Recipient's Address is:

Ministry of National Policy and Economic Affairs
Department of External Resources
The Secretariat
Colombo 1, Sri Lanka

Telephone:

94 11 2484693
94 11 2434876

Facsimile:

94 11 2447633
94 11 2387153

5.03. The Association's Address is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:

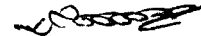
248423 (MCI) 1-202-477-6391

Facsimile:

AGREED at Colombo, Sri Lanka, as of the day and year first above written.

DEMOCRATIC SOCIALIST REPUBLIC
OF SRI LANKA

By



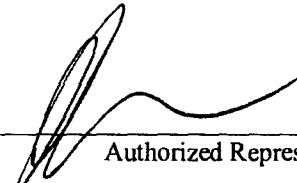
Authorized Representative

Name: R H S Samarasinghe

Title: Secretary, Ministry of Finance

INTERNATIONAL DEVELOPMENT
ASSOCIATION

By



Authorized Representative

Name: Idah z. Pswarayi - Riddihough

Title: Country Director for Sri Lanka &
Maldives

SCHEDULE 1

Project Description

The objective of the Project is to improve the management of ecosystems in selected locations in Sri Lanka for conservation and community benefits.

The Project consists of the following parts:

Part 1: Pilot Landscape Planning and Management

Provision of support for piloting landscape planning and management involving all stakeholders in selected landscapes comprising contiguous areas with unique ecological, cultural, and socio-economic characteristics, including the development and implementation of landscape plans and management models, and provision of technical advisory services and facilitation of Training.

Part 2: Sustainable Use of Natural Resources and Human-Elephant Co-Existence

Provision of support to government agencies and communities living in the buffer-zones of Protected Areas and other sensitive ecosystems to:

(a) (i) identify and implement biodiversity-friendly and climate-smart existing or new livelihood options through participatory community action plans; (ii) develop capacity for business development and management and facilitate linkages to existing financing mechanisms; and (iii) develop capacity on natural resources management, livelihood development, and co-management of forest and wildlife resources; and

(b) (i) scale up successful pilot models and implementation of other measures to address human-elephant conflict, including: (A) implementation of a landscape conservation strategy aimed at allowing elephants to continue ranging outside DWC PAs in other protected forests, while providing protection to farmers and village communities through protective solar electric fencing; and (B) management of elephants in elephant conservation areas and managed elephant ranges which are lands outside the DWC PAs network without transfer or change in land ownership through elephant compatible development; (ii) carry out a study to identify viable economic incentives for affected local communities, and development of policies, procedures, and mechanism for provision of such economic incentives; and (iii) update the national master plan for mitigation of the human-elephant conflict, and development of human-elephant co-existence models for other areas.

Part 3: Protected Areas Management and Institutional Capacity

Provision of support to:

(a) strengthen the effectiveness of PA conservation and management including the development and implementation of PA management plans, such conservation management activities include: (i) the rehabilitation and development of water resources within PAs for wildlife; (ii) habitat management, including control of invasive species, habitat creation, and habitat enrichment; (iii) rehabilitation and expansion of road network within PAs for reducing tourism pressures and patrolling; (iv) improvements to park infrastructure for better management of forest and wildlife resources; (v) species monitoring and recovery programs; (vi) protection of inviolate areas for species conservation; (vii) implementation of real time field based monitoring systems; (viii) strengthening enforcement through the introduction of SMART patrolling; and (ix) improving mobility of PA staff for better enforcement;

(b) enhance the quality of nature-based tourism through planning of nature-based tourism and visitor services in PAs, including: (i) carrying out of needs and capacity assessments; (ii) development and implementation of plans for enhancing nature-based tourism in selected PAs, including establishing the optimum number of visitors; (iii) development and renovation of visitor services infrastructure such as construction and renovation of visitor centers, comfort facilities, eco-friendly park bungalows and camp sites, and development of infrastructure for new visitor experiences; (iv) construction of nature trails, wayside interpretation points, observation towers, wildlife hides, and canopy walks; and (v) improving nature interpretation facilities through the development of comprehensive accreditation systems for nature-based tourism services including related guidelines; and

(c) strengthen the institutional and investment capacity of conservation agencies including: (i) institutionalizing reforms such as decentralization of decision making process; (ii) improving skills and capacity for adaptive and effective management of PAs; (iii) enhancing capacity including infrastructure development at the National Wildlife Research and Training Center and the Sri Lanka Forestry Institute and affiliated institutions; (iv) provision of support for developing monitoring and evaluation capabilities, targeted studies, technical assistance and equipment for long-term monitoring of status of critical biodiversity and forest resources, setting up of the Project website and maintenance, monitoring and evaluation of Project results; and (v) development of capacity to co-manage wildlife and forest resources with communities and other stakeholders.

Part 4: Project Management

Provision of support for Project implementation and management including: (a) support in the areas of Project management, monitoring and evaluation, procurement, financial management, and environmental and social safeguards; (b) facilitation of public awareness and communications; (c) provision of technical advisory services and Incremental Operating Costs, facilitation of Training, acquisition of goods and equipment.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain, throughout the implementation of the Project, a Project Steering Committee with composition and terms of reference satisfactory to the Association. The Project Steering Committee shall be responsible for providing quality and implementation guidance for the Project.
2. The Recipient shall establish, by no later than June 30, 2016, and thereafter maintain throughout the implementation of the Project, a Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers including, among others, a Project director, an environmental specialist, a social specialist, and financial management, procurement, engineering, and administrative staff, in each case with qualifications, experience and under terms of reference acceptable to the Association. The PMU shall be responsible for overall planning, management, implementation, coordination, monitoring and evaluation of the Project.
3. The Recipient shall establish by no later than September 30, 2016, and thereafter maintain throughout the implementation of the Project a Technical Review Committee with composition and terms of reference satisfactory to the Association and provided with sufficient resources. The Technical Review Committee shall be responsible for reviewing and assessing the technical soundness of activities selected through strategic landscape plans, community action plans, and human-elephant coexistence investment activities, and related research; and provide recommendations to the Project Steering Committee.

B. Project Operational Manual

1. The Recipient shall: (a) carry out the Project in accordance with the Project Operational Manual which shall be in form and substance satisfactory to the Association; and (b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Project Operational Manual or any part thereof without the prior written agreement of the Association.
2. In the event of any inconsistency between the Project Operational Manual and this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Instruments.
2. Without limitation upon the provisions of the preceding paragraph, whenever an additional or revised Environmental Management Plan, Resettlement Action Plan, or an Indigenous Peoples Development Plan shall be required for any proposed Project activity in accordance with the provisions of the respective Environmental Assessment and Management Framework, Social Management Framework, or the Indigenous Peoples Policy Framework, as the case may be, the Recipient shall, prior to the commencement of such activity, proceed to have such EMP, RAP, or an IPDP: (a) prepared in accordance with the provisions of the EAMF, SMF, or IPPF, as applicable; (b) furnished to the Association for review and approval; and (c) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association.
3. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive, or permit to be assigned, amended, abrogated, or waived, any Safeguards Instrument, or any provision thereof.
4. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, providing details of:
 - (a) the measures taken in furtherance of the Safeguards Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and
 - (c) remedial measures taken or required to be taken to address such conditions.
5. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

E. Enforcement of Laws and Regulations

1. Unless the Association shall otherwise agree in writing, the Recipient shall ensure that any monitoring, control, surveillance, and enforcement activities under the Project are implemented in a manner designed to achieve the objective of the Project and enforce the Recipient's wildlife and/or environmental laws and regulations.
2. Without limitations to the above paragraph, the Recipient shall ensure that: (a) all Eligible Expenditures financed for monitoring, control, surveillance, and enforcement activities are used exclusively by civilian authorities for the sole purpose of enforcing the Recipient's wildlife and/or environmental laws and regulations; (b) the Financing shall not be used to support the investigation, prosecution, and/or enforcing of judgments that targeted individuals; (c) the Financing shall not be used for any military purposes, or the enforcement of any other non-related laws and regulation; and (d) the Financing shall not be used to purchase arms or ammunition or to train any personnel in the use of arms or ammunition.

F. Annual Work Plans and Budget

1. The Recipient shall, throughout Project implementation, furnish to the Association for approval as soon as available, but in any case not later than September 30 of each year, an annual work plan and budget for the Project for each subsequent fiscal year, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for the first fiscal year which shall be furnished prior to the commencement of any activities under the Project.
2. The Recipient shall, no later than two (2) months after furnishing each annual work plan and budget referred to in the preceding paragraph to the Association, finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such plan and budget as agreed in writing with the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 forth in the Project Operational Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

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 to the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the 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. 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.

C. Mid-Term Review Report

Without limitation to the provisions of paragraph A above, the Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association no later than December 31, 2018, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project, and setting out the measures recommended to ensure the efficient completion of the Project and to further the objectives thereof.

Section III. Procurement

A. General

1. **Goods, Works, and Non-consulting Services.** All goods, works and non-consulting 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 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 Sections II and III of the

Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, Goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works, and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Attachment to this Schedule; (b) Shopping; (c) Direct Contracting; (d) Force Account; and (e) Community Participation procedures which have been found acceptable to the Association.

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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-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 Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, and Training under Parts 1, 2 and 3 of the Project	31,850,000	100%
(2) Goods, non-consulting services, consultants' services, Incremental Operating Costs, and Training under Part 4 of the Project	750,000	100%
TOTAL AMOUNT	32,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 815,000 may be made for payments made prior to this date but on or after January 1, 2016 for Eligible Expenditures.

2. The Closing Date is June 30, 2021.

ATTACHMENT TO SCHEDULE 2

Requirements under National Competitive Bidding

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 (NCB) method shall be subject to the following requirements:

1. Only the model bidding documents for NCB agreed with the Association 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 Association, 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.
9. Bids will not be invited on the basis of percentage premium or discount over the estimated cost, unless agreed with the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit Repayable (expressed as a percentage)*
On each April 15 and October 15:	
Commencing October 15, 2021 to and including April 15, 2031	1.65%
Commencing October 15, 2031 to and including April 15, 2041	3.35%

* 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

Section I. Definitions

1. "Affected Persons" means persons who, on account of implementation of the Project, have 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 persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
2. "Anti-Corruption Guidelines" means 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.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
5. "DWC" means the Recipient's Department of Wildlife Conservation under the Ministry of Sustainable Development and Wildlife, or any successor thereto.
6. "DWC PA" means a PA overseen and managed under the authority of DWC.
7. "Environmental Assessment and Management Framework" or "EAMF" means the Recipient's framework, dated January 28, 2016 and acceptable to the Association, setting forth provisions, rules, and procedure for undertaking environmental and social analysis and developing mitigation measures for all Project activities, as said framework may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.
8. "Environmental Management Plan" or "EMP" means each plan to be prepared by the Recipient in accordance with the EAMF, in form and substance satisfactory to the Association, setting forth the measures for mitigating the environmental risks and impacts associated with the implementation of Project activities, as well as the administrative and monitoring arrangements for ensuring the implementation of said plans, as said plans may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plans.

9. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
10. "Incremental Operating Costs" means the reasonable costs incurred by the Recipient for purposes of the management and supervision of the Project including costs of office utilities and supplies, communication, printing services, bank charges, advertising expenses, vehicle rental, operation and maintenance of vehicles, office equipment and facilities, travel, lodging and per diem expenses, salaries of contractual staff, but excluding salaries and allowances of the Recipient's civil servants or other regular government staff.
11. "Indigenous Peoples" refers to, in general terms, distinct, vulnerable, social and cultural group which possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language, often different from the official language of the country or region; and including groups that have lost collective attachment to geographically distinct habitats or ancestral territories because of forced severance.
12. "Indigenous Peoples Development Plan" or "IPDP" means each plan to be prepared by the Recipient in accordance with the IPPF, in form and substance satisfactory to the Association, setting forth measures through which the Recipient shall ensure that: (a) Indigenous Peoples affected by the Project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are avoided, minimized, mitigated, or compensated, as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
13. "Indigenous Peoples Policy Framework" or "IPPF" means the framework dated January 28, 2016, and acceptable to the Association, setting out, among other things: (a) the types of activities likely to be proposed for financing under the Project; (b) the potential positive and adverse effects of such activities on Indigenous Peoples; (c) a plan for carrying out social assessments of such activities; (d) a framework for ensuring free, prior, and informed consultation with the affected Indigenous Peoples' communities at each stage of project preparation and implementation; (e) institutional arrangements (including capacity building where necessary) for screening Project-supported activities, evaluating their effects on Indigenous Peoples, preparing IPDPs, and addressing any grievances; (f) monitoring and reporting arrangements, including mechanisms and

benchmarks appropriate to the Project; and (g) disclosure arrangements for IPDPs to be prepared under the IPPF, as said framework may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

14. "Ministry of Mahaweli Development and Environment" means the Recipient's ministry responsible for the management of environment and natural resources, or any successor thereto.
15. "Ministry of Sustainable Development and Wildlife" means the Recipient's ministry responsible for the management of wildlife, or any successor thereto.
16. "National Wildlife Research and Training Center" means the center for training in wildlife management established within DWC under the Ministry of Sustainable Development and Wildlife, or any successor thereto.
17. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
18. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 12, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. "Project Management Unit" or "PMU" means the unit to be maintained by the Recipient in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement, for the purposes of overall planning, management, implementation and coordination of the Project.
20. "Project Operational Manual" means the Recipient's manual dated March 18, 2016 setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project, including the identification and selection criteria for investments in PAs, as said manual may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
21. "Project Steering Committee" means the committee to be maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement, for the purposes of overseeing Project preparation and implementation, and facilitating inter-agency collaboration.
22. "Protected Areas" and "PAs" mean the areas designated as such in accordance with the Recipient's Forest Conservation Ordinance (Act No. 16 of 1907) and Fauna

and Flora Protection Ordinance (Act No. 2 of 1937) as such designation may be revised from time to time by the Recipient.

23. "Resettlement Action Plan" or "RAP" means each plan to be prepared by the Recipient in accordance with the SMF in form and substance satisfactory to the Association, and setting forth the principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Affected Persons, as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
24. "Safeguards Instruments" means, collectively, the EAMF, SMF, IPPF, any EMP, any RAP, and/or any IPDP.
25. "SMART" means spatial, monitoring, and reporting tool.
26. "Social Management Framework" and "SMF" mean the Recipient's framework, dated January 28, 2016, and acceptable to the Association, setting forth provisions, rules, and procedures for undertaking social analysis and developing mitigation measures for all Project activities, as said framework may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.
27. "Sri Lanka Forestry Institute" means the institute established within Forest Department under the Ministry of Mahaweli Development and Environment and charged with the training of staff of the Recipient involved in the management of the Recipient's forest areas, or any successor thereto.
28. "Technical Review Committee" means the committee to be established and maintained by the Recipient in accordance with the provisions of Section I.A.3 of Schedule 2 to this Agreement.
29. "Training" means the reasonable costs of trainings, seminars, workshops, conferences, and study tours, conducted in the territory of the Recipient and/or overseas, including: (a) the fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials; but excluding salaries and allowances of the Recipient's civil servants or other regular government staff.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).