

Mr. S.R. Attygalle
Secretary to the Treasury
Ministry of Finance
The Secretariat
Colombo 1
Sri Lanka

Dear Mr. Attygalle:

**Re: IBRD Loan No. 9296-LK
Third Additional Financing for Sri Lanka COVID-19 Emergency Response
and Health Systems Preparedness Project
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Loan Agreement between Democratic Socialist Republic of Sri Lanka (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements:

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This

6th Floor, Hilton Colombo, 2, Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka.

option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

- (i) **Financial Reports.** The Borrower shall prepare and furnish to the Association not later than forty-five (45) days after the end of each fiscal quarter, Interim Unaudited Financial Report (IUFR) for the project covering the fiscal quarter. Where a UN agency is contracted by the Borrower, the Borrower is responsible to ensure that the financial reporting requirements applicable to the UN Agency are stipulated in the agreement between the World Bank and the UN agency and met in a timely manner
- (ii) **Audits.** Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal 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. Where a UN agency is contracted by the Borrower, the Borrower is responsible to ensure that the documentation requirements applicable to the UN agency, for project audit purposes, are stipulated in the agreement between the Borrower and the UN agency

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (<http://www.worldbank.org/>) and “Client Connection”. The Association recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Credit, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Association by email at askloans@worldbank.org using the above reference.

Sincerely,



Faris H. Hadad-Zervos
Country Director for Maldives, Nepal and Sri Lanka

Attachments

1. Form of Authorized Signatory Letter
2. Format of IUFR

Schedule 1 : Disbursement Provisions

Basic Information					
Loan Number	IBRD 9296-LK	Country	Democratic Socialist Republic of Sri Lanka	Closing Date	Section III.B.2 of Schedule 2 to the Loan Agreement.
		Borrower	Democratic Socialist Republic of Sri Lanka		
		Name of the Project	Third Additional Financing for the Sri Lanka COVID-19 Emergency Response and Health Systems Preparedness Project	Disbursement Deadline Date <i>Subsection 3.7 **</i>	Four months after the closing date.
Disbursement Methods, and Supporting Documentation					
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copy of records – invoice			
Reimbursement	Yes	Interim unaudited Financial Report (IUFR) in the format provided in Attachment 2 of the DFIL			
Advance	Yes	Interim unaudited Financial Report (IUFR) in the format provided in Attachment 2 of the DFIL Copy of Bank statements			
Special Commitment	Yes	Copy of Letter of Credit, Proforma Invoice, if cited in the Letter of Credit			
Designated Account (Sections 5 and 6 **)					
Type	Segregated to be operated by Ministry of Health		Ceiling	Variable	
Financial Institution - Name	Central Bank of Sri Lanka		Currency	USD	
Frequency of Reporting <i>Subsection 6.3 (**)</i>	Quarterly		Amount	Forecast for two Quarters as provided in the IUFR	
Minimum Value of Applications (subsection 3.5)					
The minimum value of consolidated applications for Reimbursement, Direct Payment and Special Commitment is USD 10,000 equivalent.					

Authorized Signatures (Subsection 3.1 and 3.2 **) *The form for Authorized Signatories Letter is provided in Attachment 1 of this letter*
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)

Authorized Signatories Letter:

The World Bank
6th Floor, Hilton Colombo,
2, Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka.
Attention: Country Director for Maldives, Nepal and Sri Lanka

Withdrawal and Documentation Applications:

The World Bank
No. 11, Taramani Main Road
Taramani, Chennai – 600 113
India
Attention: Team Lead, WFACS

Additional Instructions

- (i) In case of Category 1 of the table under Schedule 2 Section III.A of the Loan Agreement (“Withdrawal Table”), payments to UN Agencies (if any) would be made through UN Commitment disbursement mechanism. In case of contract with UN Agency, an application for issuance of UN Commitment is to be submitted by the Borrower. Subsequent payment and documentation of expenditures would be as per the commitment letter to be issued by the Association and the agreement between the Borrower and the UN agency.
- (ii) In case of withdrawal applications submitted under the Loan, the Borrower shall submit a letter certifying compliance with Schedule 2 Section IV of the Loan Agreement on activities and expenditures to be financed under the Loan.
- (iii) Supporting documentation requirements for reporting on use of Loan proceeds under Category 2 of the Withdrawal Table of the Loan – Emergency Expenditures would be provided in a revised Disbursement and Financial Information letter, if funds are allocated to Category 2.

* Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing, dated February 2017”.

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]

[DATE]

The World Bank
6th Floor, Hilton Colombo,
2, Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka.
Attention: Country Director for Maldives, Nepal and Sri Lanka

Re: IBRD Loan No. 9296-LK (Third Additional Financing for Sri Lanka COVID-19 Emergency Response and Health Systems Preparedness Project)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “World Bank”) and Democratic Socialist Republic of Sri Lanka (the “Borrower”), dated _____, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal under this Loan.

For the purpose of delivering Applications to the World Bank, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

⁵[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including

¹ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

² Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

³ Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

⁴ Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

⁵ Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Bank.*

⁶ Instruction to the Recipient: In case signatory(ies) are authorized separately for part(s)/category(ies) included in the Loan Agreement, the authorized signatories letter may make reference to the relevant part(s)/category(ies) in the subject line. *Please delete this footnote in final letter that is sent to the Association.*

without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

SRI LANKA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT - Additional Financing III

Ministry of Health & Indigenous Medical Services

IBRD Loan No:

SOURCES AND USES OF FUNDS - FOR THE QUARTER ENDED

in US\$

	Quarter		Year to Date		Cumulative to Date	
	Budget	Actual	Budget	Actual	Budget	Actual
Cash Receipts						
WB Funds						
GoSL Funds		-		-		-
Total Financing	-	-	-	-	-	
Less: Expenditure By Categories (Categories as stipulated in the LA)						
Total Expenditure						
Receipts less Expenditures		-		-		
Net Change in Cash		-		-		-
Opening Cash Balance						
WB Designated Account						
GoSL Account						
Total Opening Cash						
Add: Net Change in Cash						
Net Cash Available						
Closing Cash Balances						
WB Designated Account						
GoSL Account						
Total Closing Cash Balance						

SRI LANKA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT - Additional Financing III

Ministry of Health & Indigenous Medical Services

IBRD Loan No. _____

USES OF FUNDS BY PROJECT ACTIVITY - FOR THE QUARTER ENDED

in US\$

	Reporting Quarter			Year to date			Cumulative to date		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Budgeted	Actual	Variance
Project components and activities									
Categories as in the Loan Agreement									
Sub Total	-	-	-	-	-	-	-	-	-
Total Project Expenditure	-	-	-	-	-	-	-	-	-

**Designated Account Activity Statement
For the Quarter Ended**

Project Name: SRI LANKA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT - Additional Financing III
 IBRD Loan NO:
 Deposit Bank:
 Currency of Designated Account: US\$

PART I		
1. Cumulative advances to end of current reporting period		
2. Cumulative expenditures to end of last reporting period		
3. Outstanding Advance to be accounted		
PART II		
4. Opening DA balance at beginning of reporting period		
5. Add/subtract: Cumulative adjustments (if any)		
6. Advances from World Bank during reporting period		
8. Outstanding advances to be accounted for		
9. Closing DA balance at end of current reporting period		
10. Add/subtract: Cumulative adjustments (if any)		
11. a) Retroactive Expenditures in current reporting period		
b) Non-retroactive Expenditures in current reporting period		
14. Difference (if any)		
PART III		
15. Total forecasted amount to be paid by World Bank		-
16. Less: Closing DA balance after adjustments	-	
17. Direct payments/SC payments	-	
18. Add lines 16 and 17		-
19. Cash requirement from World Bank for next two reporting periods		-

'SRI LANKA COVID-19 EMERGENCY RESPONSE AND HEALTH SYSTEMS PREPAREDNESS PROJECT - Additional Financing III						
			Ministry of Health & Indigenous Medical Services			
			IBRD Loan No:.....			
DESIGNATED ACCOUNT EXPENDITURE NOT SUBJECT TO PRIOR REVIEW						
FOR THE QUARTER ENDED						
Disbursement Cat./Sub cat.	Total Expenditures	% IBRD	Eligible for Bank's Financing	WB Share Amount Paid from DA	Government/Other Share	Remarks
(1) Goods, works, non-consulting services, and consultants' services, Training and Workshops, and Incremental Operating Costs						
Total	-		-	-		