
PEF GRANT NUMBER TF0B3017

Pandemic Emergency Financing Facility Fund Grant Agreement

**(Additional Financing for the COVID 19 Emergency Response and Health Systems
Preparedness Project)**

between

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as Responding Agency of the Pandemic Emergency Financing Facility Fund

PEF GRANT NUMBER TF0B3017

**PANDEMIC EMERGENCY FINANCING FACILITY FUND
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as Responding Agency of the Pandemic Emergency Financing Facility Fund (“PEF Fund”).

WHEREAS the Recipient has requested the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting on its own behalf to provide assistance toward the financing of activities described in Schedule 1 to the financing agreement of even date herewith between the Recipient and the Bank (the “Financing Agreement”), and, by such agreement, the Bank has agreed to provide such assistance, on terms and conditions provided, or referred to, therein, in an amount of SDR 33,049,597 as Concessional Credit and USD 41,900,000 as Non-Concessional Credit (variously the “Credit” or the “Financing”).

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”) and the MPA Program. To this end, the Recipient shall, through its MoH, carry out the Project in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement and the Financing Agreement.

Article III
The Grant

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed one million seven hundred twenty-three thousand five hundred nineteen Dollars and ninety-eight cents (US\$ 1,723,519.98) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the PEF Fund for which the Bank may receive funds from the PEF from time to time. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it from the PEF Fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.03. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the Signature Date, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Secretary, Ministry of Finance, Economy and Policy Development.

5.02. For purposes of Section 7.01 of the Standard 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:

Telephone:	Facsimile:	E-mail:
94 11 2484693	94 11 2447633	dg@erd.gov.lk info@erd.gov.lk

5.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI)	1-202-477-6391	CD-SLMV@worldbank.org

AGREED as of the Signature Date.

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By

S. R. Attygalle

Authorized Representative

Name: S. R. Attygalle

Title: Secretary to the Treasury

Date: 23-Jul-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as a Responding Agency of the Pandemic Emergency
Financing Facility Fund

By

F. H. Hadad-Zervos

Authorized Representative

Name: Faris H. Hadad-Zervos

Title: Country Director

Date: 21-Jul-2020

SCHEDULE 1

Project Description

The objectives of the Project are to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Sri Lanka.

The Project constitutes a phase of the MPA Program, and consists of Part 1.1 of the IDA Project, as reproduced below:

Part 1: Emergency COVID-19 Response

1.1 Strengthening Health System Response

- (a) Strengthening surveillance and response systems through: (i) establishment and strengthening of an emergency operation center to improve coordination and timely activities at the national level; (ii) provision of training to medical officers, public health inspectors and public health midwives in case identification, contact tracing, prevention counselling; (iii) implementation of non-pharmaceutical interventions, such as counselling on handwashing, sanitizing and cleaning surfaces to patients at health care facilities and during planned home visits; and (iv) provision of mobility support and personal and protective equipment to undertake follow-up at the field level, including for self-isolated or quarantined patients.
- (b) Strengthening capacity of health care facilities and staff for emergency response, including infection control and waste management systems, through the provision of goods, works, consulting services as well as financing other operational expenditures, as might be required to respond to infectious disease outbreak.
- (c) Establishment of isolation wards and intensive care units in select tertiary and secondary hospitals, including provision for uninterrupted electricity supply, as part of local containment measures.
- (d) Support for information and communication activities to raise awareness, knowledge and understanding among general population about the risk and potential impact of the pandemic, including social distancing measures, health promotion, social mobilization, stakeholder engagement and community engagement.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. For the purposes of overall oversight and guidance, as well as multi-sectoral coordination of Project activities, the Recipient shall maintain throughout the implementation of the Project the Emergency Response Coordination Committee with the composition, responsibilities and terms of reference satisfactory to the Bank.
2. The Recipient shall vest responsibility for the implementation of the Project in MoH. To this end, the Recipient shall:
 - (a) maintain, throughout the implementation of the Project, the Project Management Unit for the purposes of day-to-day Project management and implementation, including financial management, procurement, and social and environmental safeguards issues, with the composition, responsibilities and terms of reference satisfactory to the Bank;
 - (b) adopt the Project Operational Manual, satisfactory to the Bank and setting forth the procedures and requirements for the implementation of the Project activities, and after that implement the Project in accordance with such manual; and
 - (c) ensure that the collection, use and processing (including transfers to third parties) of any Personal Data collected under the Project will be done in accordance with the requirements and procedures set forth in the Project Operational Manual, and ensuring legitimate, appropriate and proportionate treatment of such data.

B. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

- (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- 6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing

measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

7. The Recipient, through its MoD, shall at all times during the implementation of Part 1.1(c) of the Project, take the following measures, in a form and substance satisfactory to the Bank:
 - (a) enforce high standard rules for the selection of personnel involved in the Project activities, and immediately remove any personnel involved in any alleged violation or abuse, and ensure that all personnel receive the relevant and prescribed training in civilian-military engagement, sexual exploitation and abuse, and sexual harassment and other relevant areas prior to the commencement of any activities;
 - (b) effectively implement a social communication strategy for the engagement of local communities, non-governmental organizations, media, and authorities in the Project area; and
 - (c) prior to commencement of any activities, establish a transparent, accessible and effective Grievance Redress Mechanism, and at all times during the carrying out of the Project, actively monitor implementation of the Grievance Redress Mechanism.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section, for eligible expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

Category	Amount Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, Training, Incremental Operating Costs and consulting services	1,723,519.98	100%
TOTAL AMOUNT	1,723,519.98	

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 Signature Date.
2. The Closing Date is January 31, 2021.

Section IV. Other Undertakings

1. All activities carried out by the MoD under the Project shall be under the control of MoH and shall be undertaken exclusively for the purposes related to the Project. All goods, works, services, Incremental Operating Costs and Training financed by the Financing proceeds shall be used by the MoD exclusively under the direction and control of MoH and in accordance with the Project Operational Manual and other arrangements or protocols that the Bank may require for carrying out these activities.
2. Except as the Bank may otherwise agree, the Recipient shall ensure that the ownership of any assets generated, goods procured, and works constructed by the MoD out of the Financing proceeds shall be transferred to, or shall vest, with MoH or any equivalent or appropriate line ministry or agency agreed with the Bank.
3. The Recipient shall ensure that no withdrawal for any expenditure is claimed under this Project, where the Recipient, or any of its agencies, shall have financed or agreed to finance any such expenditure incurred under any other credit, loan or grant under any contract with the Bank or any national or international agency or organization or a sovereign government.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
2. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
3. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 26, 2020, as amended, and as may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
4. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
5. “Financing Agreement” means the financing agreement for the Additional Financing for the COVID 19 Emergency Response and Health Systems Preparedness Project between the Recipient and the International Development Association, dated the same date as this Agreement, as such financing agreement may be amended from time to time (Concessional Credit No. 6728-LK and Non-Concessional Credit No. 6727-LK).

6. “Grievance Redress Mechanism” means the system aimed to receive grievances that might be associated with the Project activities.
7. “IDA Project” means the project described in Schedule 1 to the Financing Agreement.
8. “Incremental Operating Costs” means the reasonable costs required for the day-to-day coordination, administration and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises; office rent; office supplies; utilities; consumables; communication expenses; translation; printing, photocopying and postal expenses; bank charges; advertising expenses; insurance; costs of clearing, forwarding, inspection, survey and transportation of goods; Project-related meeting expenses; Project-related travel, subsistence and lodging expenses, provided that such Incremental Operating Costs are paid to the eligible recipient through the banking system (except for petty cash expenses following the Recipient’s existing policy); and salaries and allowances of contractual staff (other than consultants) but excluding salaries and salary top ups of the Recipient’s civil servants.
9. “MoD” means the Ministry of Defense of the Recipient, or any successor thereto.
10. “MoH” means the Ministry of Health and Indigenous Medical Services of the Recipient, or any successor thereto.
11. “MPA Program” means the multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
12. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
13. “PEF” means the Pandemic Emergency Financing Facility established by the World Bank in consultation with the World Health Organization and other development partners as a financing arrangement, entailing a trust fund in the form of a financial intermediary fund administered by the World Bank as trustee, and through which funds may be made available to governments, multilateral agencies, non-governmental organizations and others responders to support efforts to

respond to high-severity infectious disease outbreaks before they turn into pandemics.

14. “PEF Fund” means the trust fund established and administered by the International Development Association/International Bank of Reconstruction and Development as Responding Agency of the PEF to receive funds from the PEF (Trust Fund No. TF073092).
15. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
16. “Project Management Unit” means the project management unit established on March 31, 2018 and referred to in Section I.A.2(a) of Schedule 2 to this Agreement.
17. “Project Operational Manual” means the manual to be adopted by the Recipient pursuant to paragraph 2(b) of Section I.A of Schedule 2 to the Financing Agreement, as such manual may be amended from time to time with a prior written approval of the Bank.
18. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
19. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
20. “Training” means the reasonable costs required for the participation of personnel involved in training activities, workshops, seminars, conferences and study tours under the Project, which have been approved by the Borrower in writing on a bi-annual basis, including: (a) travel, hotel, and subsistence costs associated to training, workshops, seminars, conferences and study tours provided that such costs are paid directly to the eligible recipient using the banking system; (b) costs associated with rental of training and workshop facilities; preparation and reproduction of training, workshop, seminar and conference materials; and other costs directly related to preparation and implementation of any training course, workshop, seminar, conference or study tour; and (c) tuition fees, travel, accommodation and per diem of trainer and trainees.