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**LOAN NUMBER 9255-LK**

# **Loan Agreement**

**(Additional Financing for Water Supply and Sanitation Improvement Project)**

**between**

**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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**LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing additional financing for activities related to the Original Project (as defined in Appendix to this Agreement).

WHEREAS (A) under the Original Financing Agreement (as such term is defined in the Appendix to this Agreement), the International Development Association agreed to provide to the Democratic Socialist Republic of Sri Lanka a credit in an amount equivalent to one hundred seventeen million four hundred thousand Special Drawing Rights (SDR 117,400,000) to assist in financing the Original Project; and

(B) the Borrower has requested the Bank to provide additional financial assistance in support of additional activities related to the Original Project, by making available to the Borrower a Loan in the amount of forty million United States Dollars (\$40,000,000) to assist in financing scaled-up activities under the Original Project.

**NOW, THEREFORE**, the Borrower and the Bank hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower the amount of forty million Dollars (\$40,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.

- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are February 15 and August 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower's Representative is its Secretary, Ministry of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Department of External Resources  
The Secretariat  
Colombo 1, Sri Lanka; and

(b) the Borrower's Electronic Address is:

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

- 5.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

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

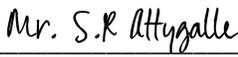
(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	CD-SLMV@worldbank.org

AGREED as of the Signature Date.

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By

  
\_\_\_\_\_  
Authorized Representative  
Mr. S.R Attygalle  
Name: \_\_\_\_\_  
Title: Secretary to the Treasury  
Date: 04-Sep-2021

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

  
\_\_\_\_\_  
Authorized Representative  
Faris H. Hadad-Zervos  
Name: \_\_\_\_\_  
Title: Country Director  
Date: 01-Sep-2021

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to increase access to piped water services and improved sanitation in Selected Districts; and to strengthen the capacity of associated institutions, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1: Water Supply and Sanitation Infrastructure**

- (a) Carrying out of water supply and sanitation infrastructure investments in urban, rural and estate areas, including: (i) rehabilitation or expansion of piped water services; (ii) construction of seepage and/or waste-water treatment plants; and (iii) provision of Grants for the construction of latrines.
- (b) Carrying out of hygiene education and awareness building programs to enhance community support for construction of water supply and sanitation infrastructure to complement the benefits of infrastructure services.

#### **Part 2: Institutional Capacity Strengthening**

Carrying out of capacity building activities, including strengthening the capacity of DNCWS, NWSDB and PHDT, to formulate an institutional framework and operational strategy to improve the performance of community-based organizations (CBOs).

Provision of support for the strengthening of capacity of DNCWS, NWSDB and PHDT and other institutions required for increasing access to piped water services and improved sanitation in the Selected Districts.

#### **Part 3: Sectoral Technical Assistance**

Provision of technical assistance to improve the capacity of the water supply and sanitation sector, including:

- (a) support for the: (i) development of a geodatabase for rural water supply and sanitation systems; and (ii) carrying out of feasibility studies, detailed designs and environmental assessments to improve the pipelines of investments for urban sanitation; and
- (b) support for the: (i) setting up of an inter-agency coordination mechanism for management of water resources for water supply, (ii) development of institutional mechanisms to professionalize CBOs; and (iii) establishment of federations and knowledge sharing mechanisms.

**Part 4: Project Management Support**

Provision of implementation support in the areas of Project management, including: (a) monitoring and evaluation, procurement, financial management, and environmental and social safeguards; (b) facilitation of public awareness and communications; and (c) provision of technical advisory services and operational support.

**Part 5: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

The Borrower shall vest the overall responsibility for the implementation of the Project activities in the Ministry of Water Supply.

To this end, the Borrower shall:

##### **At the central level**

- a) maintain throughout the period of Project implementation, the Project Steering Committee (“PSC”) with composition and terms of reference satisfactory to the Bank. The Steering Committee shall be responsible for providing guidance and overall Project oversight and supervision;
- b) maintain throughout the period of Project implementation, the Project Management Unit (“PMU”) 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, financial management, procurement, engineering and administrative staff, and staff based at provincial and district level as needed, in each case with qualifications, experience and under terms of reference acceptable to the Bank. Without limitation to the foregoing provision, the PMU shall be responsible for the overall planning, management, implementation, and coordination of the Project.

##### **B. Project Operational Manual**

1. The Borrower shall:
  - (a) carry out the Project in accordance with the provisions of the Project Operational Manual; and
  - (b) refrain from amending, revising, waiving, voiding, suspending or abrogating any provision of the Project Operational Manual, whether in whole or in part, without the prior written concurrence of the Bank.
2. In the event of any inconsistency between the provisions of the Project Operational Manual and those of this Agreement, this Agreement shall govern.

**C. Grants**

1. The Borrower shall make Grants available to Water User Associations (“WUA”) in accordance with procedures acceptable to the Bank and outlined in the Project Operational Manual for the purpose of carrying out activities under Part 1(a)(iii) of the Project.
2. The Borrower shall make each Grant pursuant to a Grant Agreement with the respective WUA, on terms and conditions satisfactory to the Bank, and shall obtain rights adequate to protect its interests and those of the Bank, including:
  - (a) WUA’s obligation, to enter into a Sub-Grant Agreement with such Beneficiary in form and substance satisfactory to the Bank, and as set forth in the Project Operational Manual, for the purposes of providing Sub-Grants for constructing latrines under Part 1(a)(iii) of the Project;
  - (b) WUA’s obligation to ensure that activities financed by a Sub-Grant are carried out in accordance with the applicable provisions of the Project Operational Manual, the Procurement Regulations, the Safeguard Instruments and the Anti-Corruption Guidelines;
  - (c) WUA’s obligation to prepare and furnish to the Bank and the Borrower all such information as the Bank or the Borrower shall reasonably request in relation to the Grant or Sub-Grants;
  - (d) the Bank’s and the Borrower’s right to require audits of the WUA’s records and accounts;
  - (e) the Bank’s and the Borrower’s right to inspect the activities financed by the Grant or Sub-Grant;
  - (f) the Borrower’s right to suspend, terminate, accelerate, or seek refund of the Grant; and
  - (g) a closing date not to exceed the date set forth in Section III.B.2 of this Schedule.
3. The Borrower shall ensure that each WUA which has entered into a Grant Agreement with the Borrower shall make one or more Sub-Grants to one or more Beneficiaries in accordance with the Project Operational Manual and on terms and conditions satisfactory to the Bank, including:
  - (a) the Beneficiary’s obligation to carry out the activities financed by the Sub-Grant in accordance with the applicable provisions of the Project Operational Manual, the Procurement Regulations, the Safeguard Instruments and the Anti-Corruption Guidelines;

- (b) the Beneficiary's obligation to furnish to the Bank, Borrower and WUA all such information as the Bank, Borrower or WUA shall reasonably request in relation to the Sub-Grant;
  - (c) the Bank's, Borrower's and WUA's right to require audits of the Beneficiary's records and accounts;
  - (d) the Bank's, Borrower's and WUA's right to inspect the activities financed by the Sub-Grant; and
  - (e) the WUA's right to suspend, terminate, accelerate or seek refund of the Sub-Grant.
4. The Borrower shall exercise its rights under each Grant Agreement and shall cause each WUA to exercise its rights under each Sub-Grant Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any Grant Agreement or any of its provisions.

**D. Annual Work Plans and Budgets**

- 1. The Borrower shall furnish to the Bank for approval as soon as available, but in any case, not later than September 1, of each year during Project implementation, a draft annual work plan and budget for the Project for each subsequent fiscal year, of such scope and detail as the Bank 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 the relevant activities under the Project.
- 2. The Borrower shall, not later than two (2) months after furnishing each annual work plan and budget referred to in the preceding paragraph to the Bank, finalize and adopt, and thereafter ensure that the Project is carried out in accordance with, such annual work plan and budget, which incorporates the inputs provided by the Bank on the draft provided under paragraph D.1 immediately above.

**E. Safeguards**

- 1. The Borrower 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 or Resettlement Action Plan shall be required for any proposed Project activity in accordance with the provisions of the Environmental Assessment and Management Framework (EAMF) or Social Management Framework (SMF), as the case may be, the Borrower shall, prior to the commencement of such activity, proceed to have such EMP or RAP: (a) prepared in accordance with the provisions of the EAMF or SMF, as applicable; (b) furnished to the Bank for review and approval; and

- (c) thereafter adopted and disclosed as approved by the Bank, in a manner acceptable to the Bank.
3. Except as the Bank shall otherwise agree in writing, the Borrower 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 of this Schedule, the Borrower shall take all measures necessary to regularly collect and compile, and submit to the Bank, 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.

**F. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:
  - (a) a Contingent Emergency Response Manual (“CERM”) is prepared and furnished to the Bank for its review and no-objection, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity or entities to be responsible for the coordination and implementation of the Contingent Emergency Response Part (“Coordinating Authority”); (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Contingent Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for Contingent Emergency Response Part; (v) documentation required for withdrawals of Contingent Emergency Expenditures; (vi) application of the relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;

- (b) the Bank is afforded a reasonable opportunity to review the proposed CERM;
  - (c) the CERM is promptly adopted as shall have been accepted by the Bank;
  - (d) the Contingent Emergency Response Part is carried out in accordance with the CERM; provided, however, that in the event of any inconsistency between the provisions of the CERM and this Agreement, the provisions of this Agreement shall prevail; and
  - (e) the CERM is not amended, suspended, abrogated, repealed or waived without prior written no-objection by the Bank.
2. The Borrower shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
- (a) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Contingent Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
  - (b) The Borrower has prepared and furnished to the Bank for its review and approval, in accordance with the provisions set forth in the CERM, a Contingent Emergency Response Implementation Plan (“CERIP”) which shall set forth detailed arrangements for the activation of Contingent Emergency Response Part, including: (i) specific activities to be financed out of the Emergency Expenditures; (ii) itemized costs for each expenditure item; (iii) implementation arrangements for the Contingent Emergency Response Part, as defined in the CERM or with proposed amendments; (iv) procurement plan for the Contingent Emergency Response Part; (v) details regarding compliance with safeguard instruments; and (vi) any other arrangements necessary to ensure proper implementation of the Contingent Emergency Response Part.
  - (c) all safeguard instruments as may be required for said activities have been prepared and disclosed in accordance with the CERM, the Bank has approved all such instruments, and the Borrower has ensured the implementation of any actions which are required to be taken under said instruments.
- (3) The Borrower shall, throughout the period of implementation of the Contingent Emergency Response Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Bank.

## **Section II. Project Monitoring Reporting and Evaluation**

The Borrower shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

## **Section III. Withdrawal of Loan Proceeds**

### **A. General.**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive Taxes)</b>
(1) Goods, works, non-consulting services, consulting services and Training under Parts 1(a)(i) and (ii) and (b), 2 and 3 of the Project	37,410,000	100%
(2) Grants under Part 1 (a)(iii) of the Project	990,000	100% of amounts disbursed
(3) Goods, non-consulting services, consulting services and Incremental Operating Costs under Part 4 of the Project	1,500,000	100%
(4) Emergency Expenditure under Part 5 of the Project	0	100%
(5) Front-end Fee	100,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>40,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) for Contingent Emergency Expenditures under Category (4), unless and until the Bank is satisfied that all of the following conditions have been met in respect of said expenditures:
    - (i) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;
    - (ii) the Borrower has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Borrower has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F.2(c) of this Schedule;
    - (iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Part have adequate staff and resources, in accordance with the provisions of the CERM, for the purposes of said activities; and
    - (iv) the Borrower has adopted the CERM and the CERIP, in form and substance acceptable to the Bank, and the provisions of the CERM and the CERIP remain – or have been updated in accordance with the provisions of Section I.F.1(e) of this Schedule 2 so as to be – appropriate for the inclusion and implementation of the Contingent Emergency Response Part.
2. The Closing Date is December 31, 2023.

### SCHEDULE 3

#### Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

#### Level Principal Repayments

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each February 15 and August 15 Beginning August 15, 2026 through August 15, 2038	3.85%
On February 15, 2039	3.75%

## APPENDIX

### 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, for purposes of paragraph 5 of the Appendix to the General 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.
3. “Beneficiary” means a household that satisfies the requirements set out in the Project Operational Manual to receive a Sub-Grant for constructing latrines for the purposes of carrying out Part 1(a)(iii) of the Project.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Contingent Emergency Expenditure” means any of the eligible expenditures set forth in the Contingent Emergency Response Manual in accordance with the provisions of Section I.F.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
6. “Contingent Emergency Response Manual” and “CERM” each means the manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement, in form and substance satisfactory to the Bank, to be adopted for the Contingent Emergency Response Part in accordance with the provisions of said Section.
7. “Contingent Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 5 of the Project.
8. “Coordinating Authority” means the entity or entities designated by the Borrower in the CERM and approved by the Bank pursuant to Section I.F.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating and implementing the Contingent Emergency Response Part.
9. “Department of National Community Water Supply” and “DNCWS” each means the Department of National Community Water Supply within the MWS, or any successor thereto.

10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
11. “Environmental Assessment and Management Framework” or “EAMF” means the Borrower’s framework dated April 20, 2015, prepared for the implementation of the Original Project, and updated for the purpose of the Loan, as of January 8, 2021, as amended from time to time in accordance with the provisions of Section I.E of Schedule 2 to this Project.
12. “Environmental Management Plan” or “EMP” means, each plan prepared by the Borrower for the implementation of the Original Project, as amended from time to time in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
13. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020 and December 21, 2020).
14. “Grant Agreement” means an agreement entered into, or to be entered into, between the Borrower and a WUA, and referred to in Section I.B.2 of Schedule 2 to this Agreement.
15. “Grant” means a grant made, or proposed to be made, by the Borrower, out of the proceeds of the Loan, to a WUA to provide Sub-Grants to Beneficiaries for the purposes of carrying out Part 1(a)(iii) of the Project, in accordance with the relevant provisions of this Agreement and the Project Operational Manual.
16. “Incremental Operating Cost” means the reasonable costs of goods and services required for the day-to-day implementation of the Project, including, costs of maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, communication, office rental and maintenance, bank charges, advertising expenses, travel of staff (including per diems and accommodation), and salaries of selected contracted support staff, but excluding salaries and salary top-ups of civil servants of the Borrower.
17. “Ministry of Finance” means the Borrower’s Ministry of Finance or any successor thereto.
18. “Ministry of Water Supply” and the acronym “MWS” each means the Borrower’s ministry responsible for urban development and water supply, or any successor thereto.
19. “National Water Supply and Drainage Board” and “NWSDB” each means the National Water Supply and Drainage Board, within MWS, or any successor thereto.
20. “Original Financing Agreement” means the financing agreement for the Original Project between the Democratic Socialist Republic of Sri Lanka and the International Development Association dated November 6, 2015 (Credit No. 5685-LK), as amended.

21. “Original Project” means the project set forth in Schedule 1 to the Original Financing Agreement.
22. “Plantation Human Development Trust” and “PHDT” each means Plantation Human Development Trust, an organization established under the Companies Act of November 17<sup>th</sup> of 1982, among the Borrower, regional plantation companies and plantation trade unions, or any successor thereto.
23. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
24. “Project Management Unit” or “PMU” means the unit established by the Borrower in MWS for the purpose of coordinating the implementation of the activities of the Original Project.
25. “Project Operational Manual” means the manual adopted by the Borrower for the implementation of the Original Project, as amended from time to time in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
26. “Project Steering Committee” means the committee established by the Borrower for the purpose of overseeing the Original Project.
27. “Resettlement Action Plan(s)” and “RAP(s)” mean, collectively, the plan(s) prepared by the Borrower for the implementation of the Original Project, as amended from time to time in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
28. “Safeguards Instruments” means, collectively, the EAMF, SMF, EMP(s) and RAP(s).
29. “Selected Districts” means the following seven selected districts in the Borrower’s territory: Colombo and Gampaha Districts in Western Province; Hikkaduwa and Weligama Districts in Southern Province; and Kurunegala District in North Western Province, Mullaitivu and Kilinochchi Districts in Northern Province; Nuwara Eliya District in Central Province; Badulla and Monaragala Districts in Uva Province; and Kegalle and Rathnapura Districts in Sabaragamuwa Province, and any other district selected by the Borrower, which the Bank has confirmed in writing to the Borrower is acceptable to the Bank for the purpose of the Project.
30. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

31. “Social Management Framework” or “SMF” means the Borrower’s framework dated April 20, 2015, prepared for the implementation of the Original Project, and updated for the purpose of the Loan, as of January 12, 2020, as amended from time to time in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
32. “Sub-Grant Agreement” means an agreement entered into, or to be entered into, between a WUA and a Beneficiary for the purpose of extending a Sub-Grant, as detailed in the Project Operational Manual, and meeting the requirements of Section I.C.3 of Schedule 2 to this Agreement.
33. “Sub-Grant” means a grant made, or proposed to be made, by a WUA, out of the proceeds of a Grant, to a Beneficiary for the purposes of constructing latrines under Part 1(a)(iii) of the Project, in accordance with the relevant provisions of this Agreement and the Project Operational Manual.
34. “Training” means reasonable costs of trainings, seminars, workshops, conferences, study tours, conducted in the territory of the Borrower and/or (subject to the express approval of the Bank) overseas, including: fees of training institutions and courses; domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; rental of training facilities; and preparation, purchase or reproduction of training materials; all in direct relation to the Project.
35. “Water User Association” or “WUA” means a community based organization or an association formed in rural or estate areas covered by the Project to represent groups of Beneficiaries and which meets the eligibility requirements set out in the Project Operational Manual to participate in the Project and receive a Grant.