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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
PUBLIC SECTOR CAPACITY BUILDING PROJECT
CREDIT

TO THE
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

December 13, 2011

ABBREVIATIONS AND ACRONYMS

AGD	Auditor General's Department	IDA	International Development Association
DCS	Department of Census and Statistics	IT	Information Technology
GOSL	Government of Sri Lanka	PDO	Project Development Objectives
ICT	Information and Communication Technology		

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SRI LANKA
PUBLIC SECTOR CAPACITY BUILDING

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PUBLIC SECTOR CAPACITY BUILDING

RESTRUCTURING PAPER

SUMMARY

Government of Sri Lanka (GoSL) has requested for an extension of the Project implementation period. GoSL requested an extension: (i) to complete the training program of the Department of Census and Statistics (DCS) postponed due to Island wide Census of Population and Housing; (ii) to utilize fully the resources allocated under the human resource development and communication and external relationship sub-component under the Auditor General's Department (AGD).

The Bank has agreed to extend the AGD component by one year while cancelling the DCS component based on the performance of the two components.

PROJECT STATUS

Project status is summarized below.

Project Development Objectives: To enhance the effectiveness, efficiency and productivity of two key public sector agencies, Department of Census and Statistics (DCS) and Auditor General's Department (AGD) through an investment package that includes organizational strengthening, capacity building, information management, communication improvements, physical and information technology (IT) infrastructure, and Information and Communication Technology (ICT) support.

Project Data	Project Performance Ratings
Approval Date : June 5, 2008 Effectiveness Date : October 15, 2008 Original Closing Date : December 31, 2011	Overall rating Achievement of PDO: Moderately Unsatisfactory (MU) Implementation Progress: MU
Credit Amount for DCS component: US\$ 12.05 millions Amount Disbursed –US\$ 3.87 million (<i>as of December 7, 2011</i>)	Achievement of PDO: Unsatisfactory (U) Implementation Progress: Moderately Unsatisfactory (MU)
Credit Amount for AGD component : US \$ 10.55 millions Amount Disbursed : US\$ 5.54 million (<i>as of December 7, 2011</i>)	Achievement of PDO: Satisfactory (S) Implementation Progress: Satisfactory (S)

The project has most recently been rated as Moderately Unsatisfactory for Project Development Objective (PDO) and Implementation Progress (IP), primarily due to

unsatisfactory progress on procurements in the Works category of expenditure under Part 1 (DCS component) of the Project. PDO and IP under Part 2 (AGD component) of the Project have been consistently rated as Satisfactory.

PROPOSED CHANGE

- Financing
 - Cancellations

The undisbursed balances under Part 1 (DCS component) of the project in category (1) – Goods, consultants’ services, training and Incremental operating cost; and category (2) - Works, are cancelled.

Pursuant to Section 6.03 of the General Conditions, an amount equal to SDR 4.75 million will be cancelled and no activities or expenditure can be incurred under the DCS component after December 31st, 2011.

- Closing date

The closing date of the project is extended from 31 December 2011 to 31 December 2012.

ANNEX 3

Extension of Closing Date

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Restructuring Paper

1. The closing date for Sri Lanka, Public Sector Capacity Building, Credit No IDA 44120, will be extended from 31 December 2011 until 31 December 2012.
2. Implementation progress has been rated Moderately Unsatisfactory, entirely because of delays in the construction of the building for the Department of Census and Statistics (DCS). The undisbursed balance of SDR 4.75 million in category (1) and (2) under Part 1 (the DCS component) of the project will be cancelled, and no activities or expenditures incurred in respect of the DCS component of the project after the original closing date of 31 December 2011 will be financed.
3. Implementation progress under the AGD component of the project has been Satisfactory or Highly Satisfactory, and the project objectives continue to be achievable. AGD has prepared an action plan in consultation with the Bank for implementing the remaining activities of the project in a satisfactory manner.
4. The proposed extension is necessary to complete activities under the human resource development and communication and external relationship sub-component of the AGD component and to enable consultant support to be provided to AGD during the year-end field work and reporting phases of the audits of the December 31, 2011 financial statements of the Government of Sri Lanka.
5. This will be the first extension of the closing date of the project.