

Department of External Resources  
The Secretariat  
Colombo 1, Sri Lanka

Attention: Secretary, Ministry of Finance

July 1, 2022

**Subject: Restructuring of:  
Support to Colombo Urban Regeneration Project (Loan Number L0081A)  
Reduction of Landslide Vulnerability by Mitigation Measures Project (Loan  
Number L0124A)**

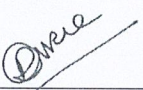
Dear Sir:

We refer to the loan agreements dated April 25, 2019 between the Democratic Socialist Republic of Sri Lanka and Asian Infrastructure Investment Bank for the Support to Colombo Urban Regeneration Project (Loan Number L0081A) ("SCURP Loan Agreement") and the Reduction of Landslide Vulnerability by Mitigation Measures Project (Loan Number L0124A) ("RLVMMP Loan Agreement", and taken together with the SCURP Loan Agreement, the "Loan Agreements"). Terms defined in the Loan Agreements will have the same meanings herein.

We also refer to the letter dated May 11, 2022 from the Borrower's Department of External Resources to the Bank, in which the Borrower requested reallocations from Loan Number L0081A and Loan Number L0124A to finance emergency assistance. Accordingly, the Bank proposes certain amendments to the Loan Agreements as set out in Annexes 1 and 2 to this letter. Please indicate your agreement to the terms of the amendments by countersigning the enclosed copy of this letter in the space below and returning it to us.

Very truly yours,

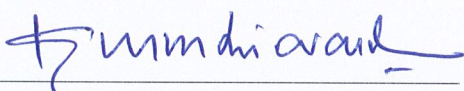
**ASIAN INFRASTRUCTURE INVESTMENT BANK**

By: 

Rajat Misra  
Director General, Infrastructure Investment Department (Region 1)

Agreed by:

**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

By: 

Date: 18/07/2022

Name: K.M.M. Siriwardana  
Title: Secretary to the Treasury

Encs: Annex 1 – Amendments to the SCURP Loan Agreement  
Annex 2 – Amendments to the RLVMMP Loan Agreement

**K.M.M. Siriwardana**  
Secretary to the Treasury and  
Secretary to the Ministry of Finance,  
Economic Stabilization and National Policies  
The Secretariat  
Colombo 01.

## ANNEX 2 – AMENDMENTS TO THE RLVMP LOAN AGREEMENT

1. Section 3.01 is modified to read as follows:

*“3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts A to D of the Project through MOD and NBRO, and Part E of the Project through MOH, in each case in accordance with the provisions of Article IV of the General Conditions.”*

2. Section 5.03 is modified to read as follows:

*“5.03. The Bank’s Address is:*

*Asian Infrastructure Investment Bank  
AIIB Headquarters, Tower A, Asia Financial Center  
No. 1 Tianchen East Road, Chaoyang District, Beijing 100101  
People’s Republic of China*

*Facsimile: +86-10-8358-0002”*

3. In Schedule 1, the first paragraph of the Project Description is modified to read as follows:

*“The objective of the Project is to: (i) reduce risk and damage from landslides through the implementation of physical mitigation measures and enhancement of policy and regulations associated with landslide management; and (ii) enhance the capacity of the Borrower to respond to the urgent medical needs.”*

4. In Schedule 1, Part A is modified to read as follows:

***“Part A. Implementation of Landslide Mitigation Measures***

*Carrying out of measures to mitigate the risks from landslides of at least 100 select landslide prone sites in the Borrower’s territory through: (1) the Detailed Design and preparation of tender documents; (2) construction of civil works; and (3) supervision of aforesaid construction.”*

5. In Schedule 1, a new Part E is added to read as follows:

***“Part E. Emergency Assistance***

*Support for the import and purchase of critical medicines and other medical supplies, including life saving drugs, vaccines, surgical and therapy consumables, medical equipment, and laboratory re-agents. Consultancy services and technical assistance to support procurement activities, monitoring and evaluation, and project management may also be financed.”*

6. In Schedule 2, Section I.A.1 is modified to read as follows:

*“1. The Borrower shall:*

- (a) maintain, until the completion of the Project, the PMUs to be responsible for coordinating and supervising Project implementation;*
- (b) ensure that the PMUs function at all times in a manner and with staffing, budgetary resources, and authority necessary and appropriate for satisfactory Project implementation, and all of which shall be acceptable to the Bank; and*
- (c) ensure the provision of efficient and effective technical and administrative support to the PMUs from other specialized units of the Borrower.”*

7. In Schedule 2, Section I.D.1 is modified to read as follows:

*“1. The Borrower, through MOD and NBRO, shall carry out Parts A to D of the Project in accordance with the Bank’s Environmental and Social Policy (February 2016), and through MOH, shall carry out Part E of the Project in accordance with the Bank’s Environmental and Social Framework (May 2021). To this end, the Borrower shall take the measures set forth or referred to in paragraph 2 of this Section D.”*

8. In Schedule 2, Section II, wherever it is used, the term “MPA&DM and NBRO” is replaced with the phrase “MOD and NBRO with respect to Parts A to D of the Project, and MOH with respect to Part E of the Project,”.

9. In Schedule 2, Section II.B, a new sub-paragraph 4 is added to read as follows:

*“4. If applicable, the Borrower shall comply with the terms of any time-bound action plan which the Bank determines is necessary and agrees with the Borrower.”*

10. In Schedule 2, Section IV.A, the table following paragraph 2 is modified to read as follows:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (exclusive of Taxes, unless otherwise indicated)</b>
<i>(1) Goods, works, non-consulting services, and consultants’ services for Parts A.2 and 3 of the Project</i>	<i>41,400,000</i>	<i>84%</i>
<i>(2) Goods, non-consulting services, consultants’ services and training for Part B of the Project</i>	<i>1,900,000</i>	<i>92%</i>
<i>(3) Goods and non-consulting service for Part C of the Project</i>	<i>1,600,000</i>	<i>92%</i>

(4) Goods, non-consulting services, and consultants' services for Part D of the Project	2,100,000	100%
(5) Front-end Fee	200,000	Amount payable pursuant to Section 2.03 of this Loan Agreement in accordance with Section 2.08(b) of the General Conditions
(6) Interest and Commitment Charge	2,800,000	Amount payable pursuant to Section 2.08(c) and Section 3.02 of the General Conditions
(7) Goods, works, non-consulting services, and consultants' services for Part E of the Project	30,000,000	100% (inclusive of Taxes)
<b>TOTAL AMOUNT</b>	<b>80,000,000</b>	

11. In Schedule 2, Section IV.B.1, the phrase “no withdrawal shall be made for payments made prior to the date of this Loan Agreement, except as otherwise provided below in paragraph 2 of this Part B” is replaced with “no withdrawal shall be made for payments made prior to the date of this Loan Agreement, except as otherwise provided below in paragraphs 2 and 3 of this Part B”.
12. In Schedule 2, Section IV.B.2, the term “Retroactive Payments” is replaced with the term “Retroactive Payments for Parts A to D of the Project”, and in sub-paragraph (b) the term “USD 16,000,000 (sixteen million Dollars)” is replaced with “USD 10,000,000 (ten million Dollars)”.
13. In Schedule 2, Section IV.B, current paragraph 3 becomes paragraph 4, and a new paragraph 3 is added to read as follows:
  - “3. For purposes of Section 2.06 of the General Conditions, withdrawals may be made for Retroactive Payments for Part E of the Project subject to the following limits.
    - (a) the Retroactive Financing Date is July 1, 2021; and
    - (b) the Retroactive Financing Limit is USD 6,000,000 (six million Dollars).”
14. In the Appendix:
  - (a) The following definitions are deleted:
    10. “Ministry of Public Administration and Disaster Management”
    18. “Project Management Unit”

(b) The following new definitions are added:

*“9. “Ministry of Defence” or “MOD” means the Borrower’s Ministry of Defence, or any successor(s) thereto.”*

*“11. “Ministry of Health” or “MOH” means the Borrower’s Ministry of Health, or any successor(s) thereto.”*

*“18. “Project Implementing Agencies” means: (i) MOD with respect to Parts A to D of the Project; and (ii) MOH with respect to Part E of the Project.”*

*“19. “Project Management Units” or “PMUs” means the Project Management Units established pursuant to Section I.A of Schedule 2 to this Agreement, namely: (i) within MOD with respect to Parts A to D of this Project; and (ii) within MOH with respect to Part E of the Project (which shall be the same project management unit as for the Borrower’s Health System Enhancement Project).”*