

LOAN NUMBER L0124A

## LOAN AGREEMENT

(Reduction of Landslide Vulnerability by Mitigation Measures Project)

between

THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

and

ASIAN INFRASTRUCTURE INVESTMENT BANK

Dated April 25, 2019

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## LOAN AGREEMENT

Agreement dated April 25, 2019 ("Loan Agreement"), between THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA ("Borrower") and ASIAN INFRASTRUCTURE INVESTMENT BANK ("Bank"). 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 Loan Agreement) constitute an integral part of this Loan Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Loan Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Loan Agreement.

### ARTICLE II. — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Loan Agreement; the amount of eighty million Dollars (\$80,000,000), ("Loan"), to assist in financing the project described in Schedule 1 to this Loan Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Loan Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one-quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Fee payable by the Borrower shall be equal to one-quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at the Variable Rate equal to the sum of:
  - (a) LIBOR; and
  - (b) 1.30% per annum, as provided under Section 3.02 of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the Borrower shall pay the Default Interest Rate on such overdue amount, in lieu of the Variable Rate, as provided in Section 3.02(c) of the General Conditions.
- 2.06. The Interest Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Loan Agreement.

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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 through MPA&DM and NBRO in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Loan Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Loan Agreement.

ARTICLE IV. — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consist of the following, namely that the Borrower has adopted a Project Implementation Manual, in form and substance satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Loan Agreement.

ARTICLE V. — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's representative designated for purposes of Section 9.02 of the General Conditions is the Secretary of the Borrower's Ministry of Finance.
- 5.02. The Borrower's Address for purposes of Section 9.01 of the General Conditions is:

Department of External Resources  
The Secretariat  
Colombo 1, Sri Lanka

Telephone:	Facsimile:
94 11 2484693	94 11 2447633
94 1 2434876	94 11 2387153

- 5.03. The Bank's Address is:

Asian Infrastructure Investment Bank  
B-9 Financial Street, Xicheng District  
Beijing, People's Republic of China 100033

Facsimile: +86-10-8358-0002



AGREED at Beijing, China, as of the day and year first above written.

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By K. Kodirum  
Authorized Representative

Name: Karunasena Kodituwakku

Title: Ambassador

ASIAN INFRASTRUCTURE INVESTMENT BANK

By D. J. Pandian  
Authorized Representative

Name: D. J. Pandian

Title: Vice President

## SCHEDULE 1

### Project Description

The objective of the Project is to reduce risk and damage from landslides through the implementation of physical mitigation measures and enhancement of policy and regulations associated with landslide management.

The Project consists of the following parts:

#### Part A. Implementation of Landslide Mitigation Measures

Carrying out of measures to mitigate the risks from landslides for 147 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.

#### Part B. Strengthening of Policy, Standards and Institutional Capacity

1. Carrying out of capacity building measures through: (1) reviewing relevant legislation, policies and institutional arrangements with a view to making policy recommendations to strengthen legal and regulatory mechanisms and improve inter agency cooperation to improve landslide management in the Borrower's territory;
2. Designing mechanisms and standards for Landslide Risk Management; and
3. (a) Strengthening of NBRO's capacity in Landslide Risk Management; and (b) developing a landslide data management system.

#### Part C. Provision of Essential Facilities

Financing of: (1) laboratories; and (2) field investigations and technical monitoring equipment.

#### Part D. Technical Support and Project Management

Facilitating Project management through: (1) developing a web-based monitoring program; (2) conducting a technical and financial review and independent third party technical and financial audits of the Project; and (3) carrying out of Project monitoring and evaluation.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall:

- a. maintain, until the completion of the Project, the PMU to be responsible for coordination and supervising Project implementation;
- b. ensure that the PMU functions at all times in a manner and with staff, budgetary resources, and authority necessary and appropriate for Project implementation, and all of which shall be satisfactory to the Bank; and
- c. ensure the provision of technical support to the PMU from other specialized units of the Borrower.

2. The Borrower shall, by no later than six (6) months after the Effective Date, establish a steering committee, consisting of representatives of the Borrower's relevant ministries and agencies (i) to guide the review and support of the development of new policies and standards to manage landslides; (ii) upon its completion, to review the findings and recommendations of said studies; and (iii) to make final recommendations to the government based on the findings and recommendations of said studies.

##### B. Project Implementation Manual

1. The Borrower shall ensure that the Project is implemented in accordance with the Project Implementation Manual.
2. The Borrower may, from time to time, as required in light of developments during Project implementation, propose revisions to the Project Implementation Manual, as follows: The Borrower shall: (a) furnish each proposed revision to the Bank for its review; (b) afford the Bank a reasonable opportunity to exchange views with the Borrower on the proposed revision; and (c) thereafter update the Project Implementation Manual to incorporate such revisions as shall have been agreed with the Bank. The Project Implementation Manual, as so revised, shall become effective only after the Bank has agreed to said revisions.
3. In the event of any discrepancy between the Project Implementation Manual and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

##### C. Prohibited Practices

The Borrower shall ensure that its personnel and other representatives involved in implementing the Project adhere to the highest ethical standards in the implementation of the Project. To this end, the Borrower shall: (a) require that each of these persons not engage in any Prohibited Practice in connection with the Loan; and (b) ensure that the Project is carried out in accordance with the provisions of the Prohibited Practices Policy.

**D. Environmental and Social Requirements**

1. The Borrower shall, through MPA&DM and NBRO, carry out the Project in accordance with the Environmental and Social Policy and Standards. To this end, the Borrower shall take the measures set forth or referred to in paragraph 2 of this Section D.
2. The Borrower shall, through MPA&DM and NBRO:
  - (a) carry out the Project in accordance with the Environmental and Social Management Plans, Environmental and Social Management Planning Framework, and Social Management and Resettlement Planning Framework;
  - (b) (i) prepare, in accordance with the Environmental and Social Management Planning Framework and Social Management and Resettlement Planning Framework, each required Environmental and Social Management Plan and Resettlement Action Plan upon the identification of any Project activity that would require such a plan in accordance with said frameworks; (ii) promptly furnish said plan to the Bank upon its preparation; (iii) afford the Bank a reasonable opportunity to review the same; and (iv) thereafter, disclose and implement such plan as shall have been approved by the Bank, in accordance with its provisions prior to tendering;
  - (c) ensure that no Project activity covered by the Environmental and Social Management Planning Framework and Social Management and Resettlement Planning Framework is initiated unless and until the Environmental and Social Management Plan or Resettlement Action Plan, as-applicable, for said activity has been approved by the Bank and all actions required under said plan prior to the carrying out of said activity have been implemented in accordance with said plan's provisions; and
  - (d) (i) ensure that the monitoring and evaluation policies and procedures required pursuant to Section 4.08(a) of the General Conditions, are adequate to enable it to monitor and evaluate on an ongoing basis, the Project's environmental and social risks and impacts, including progress in the implementation of the of the plans and frameworks referred to above in this paragraph 2; and (ii) include in each Project Report the results of said environmental and social monitoring and evaluation.

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

**A. Project Reports**

1. The Borrower shall, through MPA&DM and NBRO, monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth or referred to in the Project Implementation Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than one (1) month after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the Completion Report shall be furnished to the Bank not later than six (6) months after the Closing Date.

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**B. Financial Management, Financial Reports and Audits**

1. The Borrower shall, through MPA&DM and NBRO, maintain a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall, through MPA&DM and NBRO, prepare and furnish to the Bank as part of the Project Report not later than one (1) month after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall, through MPA&DM and NBRO, have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period. To that end, the Borrower shall, through MPA&DM and NBRO, engage independent auditors acceptable to the Bank, whose terms of reference, qualifications and experience shall be acceptable to the Bank.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Services.** All goods, works, consulting services and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with:
  - (a) the applicable requirements set forth or referred to in the Procurement Policy and the Procurement Directive;
  - (b) the Project Delivery Strategy (including, the Procurement Plan); and
  - (c) the provisions of this Section.
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described or referred to in the Procurement Directive.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Open Competitive Tendering.** Except as otherwise provided below in paragraph 2 of this Part B, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Open Competitive Tendering.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The methods, other than International Open Competitive Tendering, that may be used for procurement of goods, works and non-consulting services, are specified in the Procurement Plan.

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C. Particular Methods of Procurement of Consultants' Services

1. Quality Cost-based Selection. Except as otherwise provided below in paragraph 2 of this Part C, consultants' services shall be procured under contracts awarded on the basis of Quality Cost-based Selection.
2. Other Methods of Procurement of Consultants' Services. The methods, other than Quality and Cost-based Selection, that may be used for procurement of consultants' services, are specified in the Procurement Plan.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts that shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower, to finance Eligible Expenditures as set forth below in the table in paragraph A.2 of this Section.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (exclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services for the Part A.2 and 3 of the Project	70,500,000	84%
(2) Goods, non-consulting services consultants' services and training for Part B of the Project	2,400,000	92%
(3) Goods and non-consulting services for Part C of the Project	2,000,000	92%

(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 3.02 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>80,000,000</b>	

**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 date of this Loan Agreement, except as otherwise provided below in paragraph 2 of this Part B.
2. For purposes of Section 2.06 of the General Conditions, withdrawals may be made for Retroactive Payments subject to the following limits.
  - (a) the Retroactive Financing Date is January 1, 2019; and
  - (b) the Retroactive Financing Limit is USD 16,000,000 (sixteen million Dollars).
3. For purposes of Section 2.05(c) of the General Conditions and paragraph 8 of the Appendix thereto, the Closing Date is December 31, 2023.

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SCHEDULE 3

Amortization Schedule

1. 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"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each May 15 and November 15 Beginning May 15, 2025 through May 15, 2048	2.08%
On November 15, 2048	2.24%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date.
3. (a) Amounts of the Loan withdrawn within two (2) calendar month prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

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## APPENDIX

### Section I. Definitions

1. "Borrower" means the Recipient, as said term is defined in the General Conditions.
2. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Loan Agreement.
3. "Detailed Design" means works necessary to carry out the design of landslide mitigation measures, such as surveys, field investigations and testing, laboratory testing and engineering design, including estimates for said mitigation measures.
4. "Displaced Person" means a person who, on account of the execution of the Project, has experienced or would experience a 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 person 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, and "Displaced Persons" means, collectively, all such Displaced Persons.
5. "Environmental and Social Management Plan" or "ESMP" collectively means (a) the Borrower's 27 environmental and social management plans dated February 1, 2019 and disclosed on the same date, satisfactory to the Bank; and (b) the environmental and social management plan(s) to be prepared during Project implementation, satisfactory to the Bank, that set out the environmental protection measures, including measures for the protection of physical cultural resources, in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan(s), as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental thereto.
6. "Environmental and Social Management Planning Framework" or "ESMF" means the Borrower's environmental and social management planning framework dated October, 2018 and disclosed on November 16, 2018, setting forth the guiding policies/principles, acceptable standards and procedures for: (a) the screening of Project investment activities and the identification of any adverse or positive social and environmental impacts caused, or expected to be caused, on account of their implementation, and (b) the preparation of their prescribed environmental and social impact assessments, or ESMP(s); as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
7. "General Conditions" means the "Asian Infrastructure Investment Bank General Conditions for Sovereign-backed Loans", dated November 29, 2018, with the modifications set forth in Section II of this Appendix.

8. "Landslide Risk Management" means measures designed to manage risks related to landslides monitoring, operation and management, including, but not limited to building permits, hazard zonation mapping and other urban planning measures, the preparation of engineering design standards and environmental and social standards, including landslide induced resettlement, all in accordance with NBRO's integrated landslide mitigation program.
9. "Ministry of Finance" or "MoF" means the Borrower's Ministry of Finance, or any successor(s) thereto.
10. "Ministry of Public Administration and Disaster Management" or "MPA&DM" means the Borrower's Ministry of Public Administration and Disaster Management, or any successor(s) thereto.
11. "National Building Research Organization" or "NBRO" means the Borrower's National Building Research Organization under MPA&DM, or any successor(s) thereto as approved by the Bank.
12. "Procurement Directive" means the Bank's Interim Operational Directive on Procurement Instructions for Recipients, dated June 2, 2016. "Procurement Plan" means the Borrower's procurement plan for the Project, dated January 20, 2019, as said plan may be updated from time to time in accordance with the provisions of the Procurement Directive and with the prior written approval by the Bank before the Borrower may procure any goods, works, non-consulting services and consultants' services under the Project.
13. "Prohibited Practices Policy" means the Bank's Policy on Prohibited Practices dated December 8, 2016.
14. "Project Implementation Manual" means the Borrower's manual adopted pursuant to Section I.B of Schedule 2 of this Agreement, for the Project which includes, inter alia, the Bank's requirements on evaluation procedures, disbursement process, monitoring and evaluation and reporting obligations and safeguards and review procedures, which manual shall not be amended without the Bank's consent.
15. "Project Delivery Strategy" means the Borrower's Project delivery strategy, dated January 20, 2019, [set forth in the Project Implementation Manual], as said strategy may be updated from time to time in accordance with the provisions of the Procurement Directive.
16. "Project Management Unit" or "PMU" means the Project Management Unit within MPA&DM, established pursuant to Section I.A of Schedule 2 of this Agreement.
17. "Resettlement Action Plan" or "RAP" means each plan adopted for the purposes of an activity under the Project, acceptable to the Bank and consistent with the SMRPF, and giving details of agreed provisions for compensation, rehabilitation and resettlement assistance to Displaced Persons under the Project, along with procedural and institutional measures needed to implement such agreed provisions, acceptable to the Bank and the Borrower.

18. "Social Management and Resettlement Planning Framework" means the Borrower's social management and resettlement planning framework for the Project set forth in the document dated October 2018, disclosed on November 16, 2018, which framework sets out measures to address potential damages to buildings and crops, the policies and procedures for land acquisition, resettlement, compensation, preparation of resettlement action plans therefor, consultation, disclosure, grievance redress, and monitoring and reporting during Project implementation, as said framework may be revised from time to time with the prior agreement of the Bank.

## Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Definition 56 of the General Conditions is modified to read as follows:

"56. Prohibited Practice" means any of the following practices: (a) a coercive practice, which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; (b) a collusive practice, which means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; (c) a corrupt practice, which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party; (d) a fraudulent practice, which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; (e) misuse of resources, which means improper use of the Bank's resources, carried out either intentionally or through reckless disregard; (f) obstructive practice, which includes any of the following practices: (i) deliberately destroying, falsifying, altering or concealing of evidence material to a Bank investigation; (ii) making false statements to investigators in order to materially impede a Bank investigation into allegations of a Prohibited Practice; (iii) failing to comply with requests to provide information, documents or records in connection with a Bank investigation; (iv) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or (v) materially impeding the exercise of the Bank's contractual rights of audit or inspection or access to information; or (g) theft, which includes the misappropriation of property belonging to another party."





April 25, 2019

Secretary  
Ministry of Finance  
Democratic Socialist Republic of Sri Lanka

**Re: AIIB Loan L0124A**  
**Reduction of Landslide Vulnerability by Mitigation Measures Project**  
**Additional Instructions: Disbursement**

I refer to the Loan Agreement between the Asian Infrastructure Investment Bank (the "Bank") and the Democratic Socialist Republic of Sri Lanka (the "Borrower") for the above-referenced project, dated April 25, 2019. As indicated in Section IV of Schedule 2 to the Loan Agreement, the Bank may specify by notice to the Borrower additional instructions regarding the withdrawal of the proceeds of Loan L0124A ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions for the specific disbursement arrangements of the project.

For withdrawal of loan proceeds, please comply with AIIB's Interim Disbursement Manual for Sovereign Loans (hereinafter referred to as the "Manual"). The Manual describes what you must do before disbursement commences. We suggest that the procedures contained in the Loan Agreement and the Manual be studied thoroughly by the officials responsible for administering the Loan, to avoid delays in disbursement after the Loan becomes effective.

Sections and Subsections below refer to the relevant Sections and Subsections in the Manual and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Manual.

**I. Disbursement Arrangements**

**A. Disbursement Methods**

The following disbursement methods may be used under the Loan:

- Direct Payment
- Reimbursement
- Advance

**B. Disbursement Deadline Date**

The Disbursement Deadline Date is four months after the Loan Closing Date specified in the Loan Agreement.



### **C. Disbursement Conditions**

Please refer to the Disbursement Condition(s) in the Loan Agreement.

#### **II. Withdrawal of Loan Proceeds**

##### **A. Authorized Signatories**

A letter in the form attached (Attachment 1) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications for Withdrawal:

The Asian Infrastructure Investment Bank  
B9 Financial Street, Xicheng District,  
Beijing 100033, P.R. China  
Attention: Controller Department

##### **B. Application for Withdrawal**

Please provide completed and signed Applications for Withdrawal (Attachment 2) together with supporting documents to the address indicated below:

The Asian Infrastructure Investment Bank  
B9 Financial Street, Xicheng District,  
Beijing 100033, P.R. China  
Attention: Controller Department

##### **C. Direct Payment Method**

- **Minimum Value of Each Application for Withdrawal:** USD 250,000 or equivalent
- **Currency of Application for Withdrawal:** U.S Dollar (USD) and Sri Lankan Rupees (LKR)

##### **D. Reimbursement Method**

- **Minimum Value of Each Application for Withdrawal:** USD 250,000
- **Currency of Application for Withdrawal:** USD and LKR

##### **E. Advance Method**

- **Type of Designated Account:** One segregated account
- **Currency of Designated Account:** USD
- **Financial Institution where the Designated Account is opened:** The central bank or a financial institution acceptable to the Bank
- **Criteria of Acceptable Financial Institution:**
  - financially sound;
  - authorized to maintain the designated account in USD;

- capable of executing transactions in local and foreign currencies including foreign exchange;
  - capable of executing a large number of transactions and performing a wide range of banking services;
  - capable of providing detailed bank statements on the designated account;
  - regularly audited and receives satisfactory audit reports;
  - part of a satisfactory banking network; and
  - charges reasonable fees.
- o **Ceiling:** Next three (3) month's estimate of the Bank's share in eligible expenditures
  - o **Frequency of Reporting Eligible Expenditures Paid:** Quarterly

### III. Use of Loan Proceeds

#### A. Supporting Documentation

Tables 1 and 2 provide the required documentation to be submitted with each Application for Withdrawal. All supporting documents must be maintained in a secure location, and readily available for audit or for review by the Bank.

**Table 1. Required Documents under  
Direct Payment and Reimbursement Methods**

Expenditure Category	Requirements
	<ol style="list-style-type: none"> <li>1. Application for Withdrawal</li> <li>2. Supporting documents as follows:</li> </ol>
Goods and Services	Invoice, purchase order, contract, official receipt and other evidence of payment (e.g., bank statement)
Civil works	Invoice, contract, summary of work progress, official receipt and other evidence of payment (e.g., bank statement)

\*Key information about the recipient will be required by settlement bank for direct payments in LKR.

**Table 2. Required Documents under Advance Method**

Type of request	Required Documents
Initial advance	<ol style="list-style-type: none"> <li>1. Application for Withdrawal</li> <li>2. Statement of Expenditure detailing estimate of eligible expenditures for the next three calendar months</li> </ol>
Liquidation of advance	<p>80% of the immediately preceding advance and 100% of all other previous advances must be reported before any additional advances are provided.</p> <ol style="list-style-type: none"> <li>1. Application for Withdrawal</li> <li>2. Statement of Expenditure detailing actual eligible expenditures financed by the advance(s)</li> <li>3. Contract Summary Report detailing the contracts financed by the advance(s)</li> </ol>

Type of request	Required Documents
	4. Statement of Reconciliation of Designated Account (in USD) together with bank statements 5. Statement of Reconciliation of LKR Operating/Sub-Account (in USD) together with bank statements
Additional advance or replenishment	1. Application for Withdrawal 2. Statement of Expenditure detailing estimate of eligible expenditures for the next three calendar months

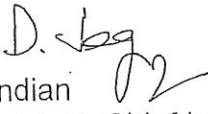
#### IV. Other Disbursement Instructions

The Designated Account for this project will be established and managed by the Ministry of Finance.

#### V. Other Important Information

If you have any queries in relation to the above, please feel free to contact us.

Yours sincerely,

  
D. J. Pandian  
Vice President, Chief Investment Officer

#### Annexes

1. Form of Authorized Signatory Letter
2. Form of Application for Withdrawal
3. Form for Designated Account Reconciliation Statement
4. Statement of Expenditure Form
5. Contracts Summary Report

Cc: Secretary, Ministry of Finance  
Secretary, Ministry of Public Administration and Disaster Management  
Director General, National Building Research Organization



FORM of AUTHORIZED SIGNATORY LETTER<sup>1</sup>

[Letterhead]

[Borrower's legal name]

[Street address]

[City] [Country]

[DATE]

The Asian Infrastructure Investment Bank  
B9 Financial Street, Xicheng District,  
Beijing 100033, P.R. China

Attention: [Head of Controller's Department]

Dear [Head of Controller's Department]:

Re: Loan No. \_\_\_\_ - \_\_\_\_ ( \_\_\_\_\_ Project)

I refer to the Loan Agreement ("Agreement") between the Asian Infrastructure Investment Bank (the "Bank") and [name of Borrower] (the "Borrower"), dated \_\_\_\_\_, providing the above Loan.

For the purposes of Section 2.02 of the General Conditions for Sovereign-backed Loans, as defined in the Loan Agreement, any [<sup>2</sup>one/two] of the persons whose authenticated specimen signature(s) appear(s) below [is/are] authorized on behalf of the Borrower to sign applications for withdrawal under this Loan:

[Name], [Position] Specimen Signature: \_\_\_\_\_

[Name], [Position] Specimen Signature: \_\_\_\_\_

[Name], [Position] Specimen Signature: \_\_\_\_\_

Yours truly, / signed /

\_\_\_\_\_  
[Name, Position]

<sup>1</sup>This model form is used when a blanket authorization has not been provided to the Bank.

<sup>2</sup>Instruction to the Borrower when sending this letter to the Bank: Stipulate if more than one person needs to sign applications for withdrawal, and how many or which positions, and if any thresholds apply.

## APPLICATION FOR WITHDRAWAL

Instructions: Use this form to request a payment and/or to document expenditures. Please complete and sign this form and send it (with any required attachments) to the Loan Administration unit, at the address found in the Disbursement Letter for your loan.

### A. Application type and loan reference

#### 1. Application type

- a.  Advance to designated account *(name or number of designated account)*
- Advance to designated account (fill sections A, B and D)  
 Advance to and documentation of designated account (fill all sections)  
 Documentation of prior advance(s) to designated account (fill sections A, C and D)
- b.  Reimbursement (fill all sections)
- c.  Direct payment *(fill all sections)*
- (beneficiary's payment/invoice reference)*

#### 2. Loan number

AIIB reference

#### 3. Subproject reference (if any)

#### 4. Country name

#### 5. Borrower reference

### Payment instructions

- 6a. Application currency                      6b. Application amount                      6c. Equivalent payment currency (if different from application currency)
- 6d. Application amount (in words)
7. Name and address of beneficiary
- 8a. Name and address of the beneficiary's bank                      8b. Account no. (or IBAN for euro payments) of the beneficiary at the beneficiary's bank                      8c. SWIFT code of the beneficiary's bank
- 9a. Name and address of the intermediary bank                      9b. Account no. (or IBAN for euro payments) of the beneficiary at the intermediary bank                      9c. SWIFT code of the intermediary bank
10. Special payment instructions (if any)

### C. Documentation of eligible expenditures

11. Documentation type(s)
- Interim financial report (e.g., financial monitoring report)  
 Statement of expenditures  
 Copies of records (e.g., invoices, receipts)
12. Category and contract reference – If expenditures relate to more than one category or contract reference, leave 12a and 12b blank and ensure this information is included in the supporting documentation.
- 11a. Documentation currency                      11b. Documented amount                      12a. Category reference                      12b. Contract reference
- 11c. Documented amount (in words)

### D. Assertions and signature

The undersigned certifies, warrants and undertakes the following:

- A. If the undersigned is making a request for an advance to be deposited in a designated account: (1) the amount requested is consistent with the planned project expenditures furnished to AIIB; and (2) the documentation for this advance is/will be furnished to AIIB in accordance with the reporting period specified in the related Loan Agreement(s) or disbursement letter for this project. If the undersigned is documenting expenditures paid from a designated account: (a) the expenditures covered by the application are eligible for financing out of the proceeds of the loan in accordance with the terms of the related Loan Agreement(s); and (b) these expenditures have not been financed previously from sources other than the borrower nor will the undersigned request financing for the expenditures from any other source in the future.
- B. If the undersigned is making a request for reimbursement or direct payment: (1) the expenditures covered by the application are eligible for financing out of the proceeds of the loan in accordance with the terms of the related agreement(s); and (2) these expenditures have not been previously from sources other than the borrower nor will the undersigned request financing for the expenditures from any other source in the future.
- C. The undersigned will make all records related to the expenditures covered by this Application for Withdrawal available for review by auditors and the Bank.

13. By (name of borrower)

14. Date signed

15a. Print name(s) and title(s) of authorized signatory(ies)

15b. Signature(s)

16. Contact details  
Name

Phone

Facsimile

Email

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

1. Loan number

2. Designated Account

Bank Name and Account Number

3. Reconciliation

1 TOTAL ADVANCED BY AIIB \$ \_\_\_\_\_

2 LESS: TOTAL AMOUNT DOCUMENTED BY AIIB - \$ \_\_\_\_\_

3 EQUALS: CURRENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = \$ \_\_\_\_\_

4 BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENTS AS OF DATE: \_\_\_\_\_ \$ \_\_\_\_\_

5 ADD: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. \_\_\_\_\_ + \$ \_\_\_\_\_

6 ADD: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: \_\_\_\_\_ + \$ \_\_\_\_\_

7 ADD: TOTAL AMOUNT CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AS AT DATE OF BANK STATEMENTS

APPLICATION NO.    AMOUNT

\_\_\_\_\_ + \$ \_\_\_\_\_

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED

8 LESS: INTEREST EARNED - \$ \_\_\_\_\_

9 TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ \_\_\_\_\_

10 EXPLANATION(S) FOR ANY DIFFERENCE BETWEEN Nos. 3 AND 9

\_\_\_\_\_

11 DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_



## CONTRACTS SUMMARY REPORT

1. Loan No.:
2. Application No.:
3. Reporting Period (from date to date)

Contract Number	Supplier	Contract Date	Currency and Total Amount of Contract	Date of Bank's No Objection to Contract	Amount Paid to Supplier during Period	Eligible % from Schedule 2 of Loan Agreement	Bank's Share of Amount Paid to Supplier during Period
Total							