The Secretary  
Ministry of Finance, Economic and Policy Development  
The Secretariat  
Colombo 1, Sri Lanka  

Excellency:

Re: IBRD Loan Number 9085-LK and IDA Credit Number 6595-LK  
COVID 19 Emergency Response and Health Systems Preparedness Project  
Additional Instructions: Disbursement and Financial Information Letter  

I refer to the Loan Agreement between Democratic Socialist Republic of Sri Lanka (“Borrower”) and International Bank for Reconstruction and Development (“Bank”) and the Financing Agreement between Democratic Socialist Republic of Sri Lanka (“Recipient”) and the International Development Association (“Association”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement and Financing Agreement, provide that the Bank and Association (Collectively, “World Bank”) may issue additional instructions regarding the withdrawal of the proceeds of IBRD Loan Number 9085- LK (“Loan”) and IDA Credit Number 6595-LK (“Financing”), and specify certain financial management reporting and audit requirements to the Borrower and Recipient (collectively “Borrower”). This letter (“Disbursement and Financial Information Letter” or “DFIL”), as revised from time to time, constitutes such additional instructions.


I. Disbursement Arrangements, Withdrawal and Reporting of Loan and Financing Proceeds

(i) Disbursement Arrangements:

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

- **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

(ii) Electronic Delivery. Refer to section 11.01 (c) of the General Conditions:

- The World Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if: (a) the Borrower has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the World Bank.
for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatories letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the World Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits.

(i) **Financial Reports.** The Borrower shall prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar quarter, Interim Unaudited Financial Reports (IUFR) for the project covering the calendar quarter for the Loan and Financing.

(ii) **Audits.** Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the World Bank for the Loan and Financing not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank’s website (http://www.worldbank.org/) and “Client Connection”. The World Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan and Financing, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

Idah Z. Pswarayi-Riddihough

Idah Z. Pswarayi-Riddihough
Country Director for Maldives, Nepal and Sri Lanka

**Attachments**

1. Form of Authorized Signatories Letter
2. Form of Interim Audited Financial Report
## Schedule 1: Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Credit Number</th>
<th>IBRD 9085-LK and IDA 6595-LK</th>
<th>Country</th>
<th>Democratic Socialist Republic of Sri Lanka</th>
<th>Closing Date</th>
<th>Section III.B.2 of Schedule 2 to the Loan Agreement and Section III.B.2 of Schedule 2 to the Financing Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>Democratic Socialist Republic of Sri Lanka</td>
<td>Name of the Project</td>
<td>COVID 19 Emergency Response and Health Systems Preparedness Project</td>
<td>Disbursement Deadline Date Subsection 3.7 **</td>
<td>Four months after the closing date.</td>
</tr>
</tbody>
</table>

### Disbursement Methods and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods Section 2*</th>
<th>Methods Available</th>
<th>Supporting Documentation Subsections 4.3 and 4.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records - Invoice</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes for contracts other than contracts referred in Clause I(i) of the DFIL</td>
<td>Interim Unaudited Financial Report (“IUFR”) (Attachment 2)</td>
</tr>
<tr>
<td>Advance</td>
<td>Yes for contracts other than contracts referred in Clause I(i) of the DFIL</td>
<td>Interim Unaudited Financial Report (Attachment 2)</td>
</tr>
<tr>
<td>Special Commitment</td>
<td>Yes</td>
<td>Copy of Letter of Credit. Proforma Invoice if cited in the Letter of Credit</td>
</tr>
</tbody>
</table>

### Designated Account (Sections 5 and 6**)

<table>
<thead>
<tr>
<th>Type</th>
<th>Pooled to be operated by Ministry of Health, Nutrition and Indigenous Medicine</th>
<th>Ceiling</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>Central Bank of Sri Lanka</td>
<td>Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Frequency of Reporting Subsection 6.3 (**)</td>
<td>Quarterly</td>
<td>Amount</td>
<td>Forecast for three quarters as provided in the IUFR</td>
</tr>
</tbody>
</table>
## Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 50,000 equivalent. Minimum value of applications does not apply to the disbursements of contracts referred to in Section I(i) of the DFIL made only through Direct Payment and/or Special Commitment disbursement methods.

### Authorized Signatures (Subsection 3.1 and 3.2 ***)

The form for Authorized Signatories Letter is provided in Attachment 1 of this letter.

### Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 ***)

**Authorized Signatories Letter:**
The World Bank  
6th Floor, Hilton Colombo,  
2, Chittampalam A. Gardiner Mawatha,  
Colombo 2, Sri Lanka.  
Attention: Country Director, Maldives, Nepal and Sri Lanka.

**Withdrawal and Documentation Applications:**
The World Bank  
No. 11, Taramani Main Road  
Taramani, Chennai – 600 113  
India  
Attention: Team Lead, WFACS

### Additional Instructions

(i) List of contracts selected through international open or limited competition or Direct Selection to be disbursed only using Direct Payment and/or Special Commitment disbursement methods are provided in the procurement plan.

(ii) In case of category 1 of the table under Schedule 2 Section III.A of the Loan Agreement and category 1 of the table under Schedule 2 Section III.A of the Financing Agreement - Goods, works, non-consulting services, Cash Transfer, Training, Incremental Operating Costs and consulting services for the Project, payments to UN Agencies (if any) would be made through UN Commitment disbursement mechanism. In case of contract with UN Agency, an application for issuance of UN Commitment is to be submitted by the Borrower. Subsequent payment and documentation of expenditures would be as per the commitment letter to be issued by the World Bank and the agreement between the Borrower and the UN agency.

(iii) In case of Cash Transfer included under category 1 of the table under Schedule 2 Section III.A of the Loan Agreement and category 1 of the table under Schedule 2 Section III.A of the Financing Agreement, paid expenditures would be claimed in the IUFR.

(iv) Supporting documentation requirements for reporting on use of Financing proceeds under category 2 of the table under Schedule 2 Section III.A of the Loan Agreement and category 1 of the table under Schedule 2 Section III.A of the Financing Agreement –Emergency Expenditures would be provided in a revised Disbursement and Financial Information letter, if funds are allocated to category 2.
(v) In case of withdrawal applications submitted under the Loan and Financing, the Borrower shall submit a letter certifying compliance with Schedule 2 Section IV of the Loan Agreement and Financing Agreement on activities and expenditures to be financed under the Loan and Financing.

(vi) Withdrawal of funds is to be made first under IDA Credit Number 6595-LK, before withdrawal of funds from IBRD Loan Number 9085-LK.

*Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated 2017.
Attachment 1 Form of Authorized Signatories Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[Date]

The World Bank
6th Floor, Hilton Colombo,
2, Chittampalam A. Gardiner Mawatha,
Colombo 2, Sri Lanka.
Attention: Country Director, Maldives, Nepal and Sri Lanka.

Re: IBRD Loan Number 9085-LK and IDA Credit Number 6595-LK
(COVID 19 Emergency Response and Health Systems Preparedness Project)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (“Bank”) and Democratic Socialist Republic of Sri Lanka (“Borrower”) and the Financing Agreement (“Agreement”) between the International Development Association (“Association”) (Bank and Association, collectively “World Bank”) and Democratic Socialist Republic of Sri Lanka (“Recipient”) (Borrower and Recipient, collectively “Borrower”), dated ______, providing the above Loan and Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Loan Agreement, and Financing Agreement any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal and applications for a Special Commitment under the Loan and Financing.

For the purpose of delivering Applications to the World Bank, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”), the

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1 Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank.

2 Instruction to the Borrower: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

3 Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

4 Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.
Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.\(^5\)

This Authorization replaces and supersedes any Authorization currently in the World Bank’s records with respect to these Agreements.

[Name], [Position] Specimen Signature: ____________________

[Name], [Position] Specimen Signature: ____________________

[Name], [Position] Specimen Signature: ____________________

Yours truly,

/ signed /

____________________

[Position]

\(^5\) Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*
Attachment 2 – Form of Interim Unaudited Financial Report