



SRI LANKA RESIDENT MISSION

19 January 2022

Mr. S.R. Attygalle
Secretary
Ministry of Finance and Planning
Colombo 01
Sri Lanka

Dear Mr. Attygalle:

**Subject: Loan Nos. 2710-SRI/2711-SRI (SF): Jaffna and Kilinochchi Water Supply and Sanitation Project
- Amendment to Loan Agreements**

1. We refer to the Ordinary Operations Loan Agreement between the Democratic Socialist Republic of Sri Lanka ("Borrower") and Asian Development Bank ("ADB") dated 8 February 2011, as amended ("Ordinary Operations Loan Agreement"), and the Special Operations Loan Agreement between the Borrower and ADB dated 8 February 2011, as amended ("Special Operations Loan Agreement", together with the Ordinary Operations Loan Agreement, "Loan Agreements") for the Jaffna and Kilinochchi Water Supply and Sanitation Project ("Project"). All capitalized terms used but not defined herein shall have the meaning given thereto in the Special Operations Loan Agreement unless the context requires otherwise.
2. Following a request from the Borrower dated 18 November 2021, ADB approved on 10 December 2021 changes in the Project. To give effect to the changes, ADB proposes that the Loan Agreements be amended as set out in the attachment hereto.
3. Save and except to the extent set out in the attachment hereto, the Loan Agreements remain unchanged.
4. Pursuant to ADB's Access to Information Policy (2018) ("AIP"), the amendment to the Loan Agreements will be posted on ADB's website within 2 weeks from the date that the amendment becomes effective, after removing any information that falls within the AIP exceptions as specified by the Borrower.
5. Please indicate the Borrower's concurrence to the amendment set out in the attachment hereto and to the terms of this letter agreement by countersigning each of the two originals of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendment shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

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Colombo 7, Sri Lanka
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Yours Sincerely

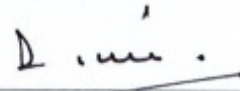

Chen Chen

Country Director
Sri Lanka Resident Mission

A. Accepted and agreed.

B. Confirmed that the amendment to the Loan Agreements do not contain information falling within the AIP exceptions.

For and on behalf of
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

By: 

Name: R. M. P. Rathnayake
Deputy Secretary to the Treasury
Ministry of Finance
The Secretariat

Designation: Lotus Road, Colombo - 01

Date: 14-02-2022.

cc: Deputy Secretary to the Treasury
Director General, Department of External Resources

ATTACHMENT

**Loan No. 2710-SRI: Jaffna and Kilinochchi Water Supply and Sanitation Project
Amendment to the Ordinary Operations Loan Agreement**

1. Article III, Section 3.05 of the Ordinary Operations Loan Agreement shall be deleted and substituted with the following:

"Section 3.05. The Loan Closing Date for withdrawals from the Loan Account for the purposes of Section 9.02 of the Loan Regulations shall be 31 December 2022 or such other date as may from time to time be agreed between the Borrower and ADB."

2. The Table in the Attachment to Schedule 2 of the Ordinary Operations Loan Agreement shall be deleted and substituted with the following:

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Jaffna and Kilinochchi Water Supply and Sanitation Project)			
CATEGORY			ADB FINANCING BASIS
Number	Item	Total Amount Allocated for ADB Financing \$ Category	Percentage of ADB Financing from the Loan Account
1	Works	18,809,450	100% of total expenditure claimed*
2	Equipment	176,420	100% of total expenditure claimed*
3	Consultant	16,130	100% of total expenditure claimed*
4	Project Administration and Implementation	190,000	100% of total expenditure claimed*
5	Interest and Commitment Charges	808,000	100% of amounts due
	Total	20,000,000	

*Exclusive of taxes and duties imposed within the territory of the Borrower

**Loan No. 2711-SRI(SF): Jaffna and Kilinochchi Water Supply and Sanitation Project
Amendment to the Special Operations Loan Agreement**

1. Article III, Section 3.05 of the Special Operations Loan Agreement shall be deleted and substituted with the following:

"Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2022 or such other date as may from time to time be agreed between the Borrower and ADB."

2. Schedule 1, paragraph 2, Part A of the Special Operations Loan Agreement shall be deleted and substituted with the following:

"Part A: Improving Water Supply and Sanitation Infrastructure

I. Water Supply:

- (i) rehabilitation and improvement of headworks at the Iranamadu Tank;
- (ii) laying part of the treated water transmission mains to Jaffna Municipality;
- (iii) provision of connections to urban council and Pradeshiya Sabhas en-route involving about 12 off-takes;
- (iv) provision of new distribution systems for Jaffna Municipality and Chavakachcheri urban council, including access to household connections and metered community facilities in poor areas;
- (v) provision of new distribution systems for selected Pradeshiya Sabhas of the Jaffna and Kilinochchi districts, including extensions to property boundaries;
- (vi) installation of bulk/system water meters;
- (vii) provision of leak detection program for rehabilitation and strengthening of the existing distribution network;
- (viii) provision of spare parts and maintenance equipment;
- (ix) construction of a seawater desalination plant (SWDP) of 24,000 cubic meters per day capacity; and
- (x) supply and laying of water distribution networks in Jaffna City Area.

II. Sewerage and Sanitation:

Provision of:

- a. sewage collection system;
- b. sewage treatment plant;
- c. treated effluent sea outfall;
- d. maintenance equipment;
- e. low-cost sanitation programs for poor communities; and
- f. septic tank cleaning machines.

3. Schedule 1, paragraph 4 of the Special Operations Loan Agreement shall be deleted and substituted with the following:

"The Project is expected to be completed by 31 December 2021."

4. The Table in the Attachment to Schedule 3 of the Special Operations Loan Agreement shall be deleted and substituted with the following:

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Jaffna and Kilinochchi Water Supply and Sanitation Project)			
CATEGORY			ADB FINANCING
Number	Item	Amount Allocated SDR Category	Percentage and Basis for Withdrawal From the Loan Account
1	Works	37,479,216	100% of total expenditure claimed*
2	Equipment	170,389	100% of total expenditure claimed*
3	Consultant	3,553,136	100% of total expenditure claimed*
4	Project Administration and Implementation	2,260,259	100% of total expenditure claimed*
5	Interest Charges	823,000	100% of amounts due
	Total	44,286,000	

*Exclusive of taxes and duties imposed within the territory of the Borrower