

**Contingency Emergency Response Component - CERC
under
Integrated Rurban Development and Climate Resilience Project
(IRDCRP)**

CERC Manual

Sri Lanka

December 2025

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List of Acronyms

ADA	Assistant Director of Agriculture
AI	Agriculture Instructure
ARPA	Agriculture Research and Production Assistant
CERC	Contingent Emergency Response Component
CERIP	Contingent Emergency Response Implementation Plan
CFO	Chief Financial Officer
CMC	Cascade Management Committee
DAD	Department of Agrarian Development
DDA	Deputy Director of Agriculture
DoA	Department of Agriculture
DAPH	Department of Animal Production of Health
PDAPH	Provincial Department of Animal Production of Health
PMU	Project Management Unit
PUC	Public Unlisted Company
EA	Environmental Assessment
EMP	Environmental Management Plan
ESAMF	Environment and Social Assessment Management Framework
ESRMG	Environmental and Social Risk Management Guidelines
ERD	External Resource Department
FA	Financing Agreement
GoSL	Government of Sri Lanka
GHG	Green House Gases
ID	Irrigation Department
IDA	International Development Association
IPF	Investment Project Financing
IRDCRP	Integrated Rurban Development and Climate Resilience Project
IRM	Immediate Response Mechanism
OG	Operations Guideline
MASL	Mahaweli Authority of Sri Lanka

MoALLI	Ministry of Agriculture, Land, Livestock and Irrigation
MoFPED	Ministry of Finance, Planning and Economic Development
NAQDA	National Aquaculture Development Authority
NPD	National Planning Department
PAD	Project Appraisal Document
PDO	Project Development Objective
PMU	Project Management Unit
PUC	Public Unlisted Company
SMF	Social Management Framework
STEP	Systematic Tracking Exchange of Procurement
WB	World Bank

Project Overview

Country:	Sri Lanka
Full Project Name:	Integrated Ruban Development and Climate Resilience Project (IRDCRP)
Total Finance (US \$):	USD 120 million US\$ 100 million (WB- IDA), US\$ 3 million (GoSL) and Beneficiary Contribution/Private Sector Contribution US\$ 17 million.
Project Number:	P505241
Summary of Project Development Objectives	<p>The Project Development Objective (PDO) is to increase the productivity, market access, and climate resilience of agri-food producers in selected areas.</p> <p>The PDO level results indicators are:</p> <ol style="list-style-type: none"> 1. Agri-food producers adopting improved and climate-resilient technology or practices supported by the Project (Number)- Number of agri-food producers adopting improved and climate-resilient technologies or practices supported by the Project 2. Area provided with improved irrigation or drainage services (Ha) 3. Agri-food producers with increased market value of their produce of at least 15 percent through Productive Partnership (Percentage)- Percentage of targeted agri-food producers achieving at least a 15% increase in the market value of their produce through Productive Partnerships 4. People with enhanced resilience to climate risk (disaggregated by sex -Number) - Number of people adopting climate-resilient practices and/or reporting reduced production losses due to climate-related shocks, disaggregated by sex <p>The intermediate outcome indicators are:</p> <ol style="list-style-type: none"> 1.1 Number of Small and medium-scale producers in targeted value chains provided with improved market services (Number) 1.2 Number of Productive Partnerships with business plans approved by Evaluation Committee and financed (disaggregated by 'approved'/'financed') 1.3 Number of Productive Partnership with business plans financed (Number) 1.4 Number of Small and Medium Producers Financed through Productive Partnerships (Number) 1.5 Number of Entrepreneurs with Innovative Business Plans Approved by the Evaluation Committee (Disaggregated by Sex and Age -Number) 1.6 Amount of Private capital Mobilized (USD) 2.1 Percentage of Cascade Management Committee (CMC) at least with one woman in leadership roles (Percentage) Chairperson, secretary, or treasurer) 2.2 Landscape Governance Index /Score (Disaggregated by Landscape - Number) 2.3 Number of irrigation infrastructure assets rehabilitated or modernized (Number)- fully completed and functioning systems

	<p>2.4 Percentage of targeted beneficiaries rating project interventions as ‘satisfactory’ or above</p> <p>2.5 Percentage of targeted women beneficiaries rating project interventions as ‘satisfactory’ or above (Percentage)</p> <p>2.6 Percentage of targeted youth beneficiaries rating project interventions as ‘satisfactory’ or above (Percentage)</p> <p>2.7 Areas under enhanced conservation and/or sustainable landscape management (including terrestrial and inland water areas -Ha)</p> <p>2.8 Net greenhouse gas (GHG) emissions reduced</p> <p>3.1 Agriculture survey conducted (Number)- Number of agriculture and/or producer surveys completed and utilized for decision-making <i>(Baseline, midline, endline or thematic surveys)</i></p> <p>3.2 Agencies participating in automation platform supported by the project (Number)- Number of government and partner agencies actively using the project-supported digital/automation platforms</p>
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Key Aspects of the Manual

Cyclone Ditwah caused severe damage to Sri Lanka’s agriculture sector, affecting crops, livestock, irrigation systems, and rural livelihoods, with estimated losses of around USD 800 million¹. The cyclone caused widespread damage across multiple agro-ecological zones through heavy rainfall, flooding, and landslides, severely affecting crop production systems and agricultural infrastructure. The impacts have heightened food security risks, particularly among smallholder farmers. Early-stage Maha season crops—including paddy, vegetables, and other field crops—were extensively damaged, while perennial crops, livestock, inland fisheries, and irrigation systems also suffered substantial losses.

In response, the Government has launched immediate and medium-term recovery measures, including a Cabinet-approved relief package to restore production and strengthen resilience. Key interventions include cash transfers to compensate affected crops and livestock, rehabilitation of damaged infrastructure, support to livestock farmers, and promotion of climate-resilient agriculture. Following the Government of Sri Lanka’s declaration of a national emergency in response to Cyclone Ditwah on November 28, 2025, the World Bank activated Contingent Emergency Response Components (CERCs) across six projects including IRDCRP.

Under the IRDCRP, US\$30 million was reallocated to activate the CERC to support emergency response and early recovery. The proposed emergency response and recovery interventions will directly contribute to enhancing the climate resilience of farmers, which remains central to the original Project Development Objective (PDO). The scope of emergency support will be expanded beyond the original project focus on climate hotspot areas in 12 selected districts to cover crop and livestock farmers in 24 cyclone-affected districts nationwide. Financing will prioritize the rehabilitation of damaged irrigation infrastructure, provision of cash transfers to affected farmers, and support to livestock producers through recovery assistance, including emergency nutrition and disease prevention services.

Implementation of emergency activities is guided by the approved CERC Operations Manual, Emergency Action Plan, and Procurement Plan. The specific activities to be financed by the funds allocated to the CERC are event and demand driven. The activities selected should be consistent with CERC’s purpose to provide short-term bridge financing exclusively for the immediate recovery needs related to an eligible emergency. This Manual outlines the operational framework governing the activation and implementation of the Contingent Emergency Response Component (CERC) of the Government of Sri Lanka.

Objective of the Manual

The manual sets out the agreed procedures, institutional arrangements, and compliance requirements necessary for the effective implementation of the CERC. It lays down the framework by which the CERC will be activated and by which the approved activities will be coordinated and implemented in accordance with World Bank and national policies and procedures as agreed with the World Bank. There is no limit to the number of times the CERC may be activated under the Project, but the framework described in this Manual should be followed for each activation.

Main Contents of the Manual

The CERC Manual details information on (i) steps and requirements for activating the CERC; (ii) main aspects of the CERC, including the positive list of activities and items to be potentially financed under the CERC; (iii) coordination, implementation and closing arrangements; (iv) procurement, (v) financial

¹ Cyclone Ditwah 2025 Sri Lanka: Global Rapid Post Disaster Damage Estimation (GRADE) Report, World Bank

management and disbursement aspects; (v) requirements and compliance with the Environmental and Social Framework; and (vi) the monitoring and evaluation framework.

Process for Updating the Manual

The Manual will be reviewed periodically, at least every 12 months, to ensure readiness for CERC activation and implementation. The Government, through the Ministry of Agriculture, Livestock, Land and Irrigation (MoALLI) will lead the review, with advice from the World Bank as needed, to identify necessary updates. The Manual can also be updated to adjust it to the specific needs of an eligible crisis or emergency, and as a result of lessons learned from CERC activations in the country or under the Project. Any changes, and the resulting updated version of the Manual will be agreed between the Government and the World Bank and be approved via a formal process as described below.

Process for Approval of the Manual

This Manual will be effective from the date the World Bank gives its No Objection in writing and will be valid up to the closing date of the Project as reflected in the Legal Agreement(s)

In the event of any conflict between the arrangements and procedures set out in this manual and the provisions established in the legal agreement(s) for the CERC, the provisions in the legal agreements will prevail. For this Manual, this legal agreement is the Financing Agreement (No7743LK)]. In addition, the Manual is consistent with the Environmental and Social Commitment Plan (ESCP) and the Disbursement and Financial Information Letter (DFIL).

Annexes to the Manual

The CERC Manual is supplemented by the following separate Annexes which are considered integral to CERC implementation:

- A. Annex A1: Manual/operational procedure for cash transfers for maize, other field crops, vegetables and selected fruit crops
- B. Annex A2: Application Form for the Financial Assistance Programme

A – Overview of the CERC

1. The Government of Sri Lanka (GoSL) has received financing from the World Bank (IDA Loan No P505241.) for the implementation of the Integrated Rurban Development and Climate Resilience Project (IRDCRP), whose development objective is to increase the productivity, market access, and climate resilience of agri-food producers in selected areas. The Project’s total cost is US\$ 120 million, of which IDA is financing US\$100 million. The Contingent Emergency Response Component (CERC) is established as Component 5 of the Project and is assigned a dedicated disbursement category (Category 4) to enable rapid mobilization of funds in response to eligible emergencies.
2. **The objective of the CERC** is to enable a prompt and effective response to an eligible crisis or emergency. When an eligible emergency or crisis occurs or is emerging (as defined in the section below), the Government may submit a request to reallocate uncommitted and undisbursed funds from the Project to the CERC. The activation and use of such funds shall be subject to the prior non-objection of the World Bank. The Government may also seek the Bank’s guidance in identifying appropriate project component(s) and disbursement categories from which funds may be reallocated to the emergency response. .
3. The funds which cannot be reallocated to the CERC (Committed Funds) are those (i) with contractual obligations; (ii) needed to ensure compliance with fiduciary, E&S and Monitoring and Evaluation (M&E) obligations of the Project; and (iii) required to ensure the necessary staff and operational costs for the [Project Implementation/ Coordination Unit] to carry out its functions and responsibilities. [Also, funds from IDA Regional Window cannot be reallocated to the CERC] [Also, funds from the IDA Host Communities and Refugee Window (WHR) can be reallocated only for the host communities and refugees affected by the eligible emergency or crisis]

B - Requirements for Activating CERC

4. The Project’s Financing Agreement dated 08 September 2025, establishes the following conditions for CERC activation (equivalent to disbursement conditions for the CERC). These are:
 - The Government has determined that an Eligible Crisis or Emergency has occurred, and has furnished with the World Bank a request to withdraw funds under the CERC Category;
 - The World Bank has agreed with such determination, accepted said request and notified the Government thereof; and
 - The Government has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the World Bank as a prerequisite for the activation and implementation of the CERC
5. **Definition of an Eligible Crisis or Emergency.** As defined by the World Bank Policy, an eligible crisis or emergency is an event that has caused or is likely to imminently cause a major adverse economic and/or social impact associated with natural or man-made crises or disasters. This also includes health emergencies and socio-economic effects due to conflict.

Specific Evidence required to determine Eligibility of the Emergency / Crisis

6. **Natural and Man-made Emergencies/crises:** The CERC is activated following the emergency situation arose from the adverse weather conditions caused by cyclone Ditwah. Accordingly,

a State of Public Emergency has been declared in Sri Lanka by the Extraordinary Gazette No. 2464/30 dated 28-11-2025. Accordingly, the government has decided to provide immediate relief to restore the lives of the people affected by the emergency disaster situation.

CERC Activation Package

7. The Government sent an Activation Package, with a cover official letter from the Ministry of Finance, Planning and Economic Development (MoFPED) to the World Bank's Country Director with copy to the Country Manager that includes the following:
 - a. Request letter to activate the CERC signed by Finance Minister [or equivalent authority in the country], including inter alia, designating the CERC Implementing Agency (or reconfirming it), the amount to be reallocated, and the component(s) and disbursement categories affected.
 - b. Evidence of eligibility of the emergency [based on the Rapid Needs Assessment or equivalent reports]
 - c. Emergency Action Plan (EAP)
 - d. Confirmation of the completion and disclosure of agreed safeguard/ E&S documents for the CERC. If applicable, agreement on sequencing of E&S document(s) completion to be reflected in the Environmental and Social Commitment Plan (ESCP) [for ESF]
8. The Government may request technical assistance from the World Bank to undertake the Rapid Needs Assessment and other related preparatory activities to support CERC activation and implementation activities. This request can be made directly to the Country Director in a written form via letter or electronic communication.

CERC Implementation Period and End Date

9. The CERC Implementation period will be of 18 months, with the end date stipulated in the World Bank's Notification of CERC activation and Lifting of Disbursement Conditions and considered in the Implementation Plan attached to the Emergency Action Plan. In exceptional circumstances, the Government and the World Bank may agree to additional six months of CERC implementation. The CERC implementation period starts at the date of the Notification Letter.
10. The CERC Implementation Period, however, cannot exceed the legal closing date established for the Project.

Eligible Activities under the CERC

11. Table 1 presents the positive list ('Emergency Expenditures') from which the Government will select activities and items for financing under the CERC to help respond to a specific eligible emergency or crisis, as reflected in the Emergency Action Plan for such event.
12. This List may be modified in agreement with the World Bank. The Positive List was assessed to confirm its alignment with the Paris Agreement Goals, as required for all Bank financing since July 1, 2023. New activities added to the list will require this assessment.

Table 1: Positive list of eligible Emergency Response Activities

Item
<p>Goods</p> <ul style="list-style-type: none"> • Equipment, tools and supplies for agricultural, forestry, and fisheries (tractors, boats and farm equipment) • Inputs for agriculture production (seeds and planting materials, fertilizer, pesticides, herbicides, soil and water conservation materials (mulching)) • Inputs for livestock production (feed, brood stocks, replacement stocks) • Veterinary inputs (vaccines, nutritional supplements (vitamins) , Pasture and Fodder etc. to support livestock health and recovery` • Water pumps and tanks for water storage • Tools and construction supplies (roofing, cement, iron, stone, blocks, etc.) • Spare parts, equipment and supplies for engines, transport, construction vehicles • Vehicles (Vans, trucks and SUVs) – (only eligible for leasing related to the implementation of CERIP activities) • Gasoline and diesel (for air, land and sea transport) and engine lubricants • Equipment and supplies for communications and broadcasting (radios, antennas, batteries) • Non-perishable foods, bottled water and containers • Equipment, materials and supplies for disinfection of drinking water
<p>Services</p> <ul style="list-style-type: none"> • Consulting services related to emergency response including, but not limited to urgent studies necessary to determine the impact of the disaster and to serve as a baseline for the recovery and reconstruction process, and support to the implementation of emergency response activities • Non-consultant services, including but not limited to drilling, aerial photographs, satellite images, maps and other similar operations, information and awareness campaigns
<p>Works</p> <ul style="list-style-type: none"> • Repair of damaged infrastructure including, but not limited to irrigation systems, dams, reservoirs, canals, weather stations, solar energy systems, transportation systems, energy and power supply, telecommunication • Repair of damaged buildings, including administrative buildings, laboratory facilities, farmhouses including livestock facilities, agribusiness assets (processing facilities), poly tunnels, rain shelters, protected houses and associated infrastructure. • Repair of damaged community and farm assets including electric fences, last mile agricultural roads, agri-wells, culverts, small scale bridges, micro and mini-irrigation facilities (drips, sprinklers, fertigation units), insect proofing fences.
<p>Incremental Operating Costs</p> <ul style="list-style-type: none"> • Incremental expenses by the Government for a defined period related to early recovery efforts arising as a result of the impact of an emergency. This includes, but is not limited to: costs of staff attending emergency response, operational costs and rental of equipment

13. Within the framework of positive list, the Ministry of Agriculture, Livestock, Land and Irrigation (MOALLI) has identified a set of urgent short-term recovery interventions under the CERC of the IRDCRP. These interventions include: (i) provision and/or reimbursement of cash grants to farmers for selected crops; (ii) rehabilitation of minor irrigation infrastructure; and (iii) support to the affected dairy and goat farmers. Implementation responsibilities are shared among key agencies, including the Department of Agriculture (DOA), the Department of Agrarian Development (DAD), and the Livestock Division of MOALLI.
14. The Government has provided cash transfers to farmers on emergency basis on the direction given under the applicable budget circulars and the guidelines issued through a letter by the Secretary, MoALLI (Budget Circular 8/25 dated 5.12.2025, circular 8/25 (i) dated 20.12.2025, the Guidelines issued by the Secretary, MoALLI (2025.12.09), and Circular issued by the DG, Department of Agriculture (DoA) (10.12.2025). The DoA handled cash transfers provided for maize, other field crops (OFC; incl. chili, onion), vegetables, and selected fruits (pineapple, banana, papaya). The program was implemented from 18 Dec 2025 to 25 Feb 2026, covering 84,481 farmers with total disbursement value of LKR 3,438 million (~US\$11.5 million).
15. Responding to the Government's request, the World Bank agreed to reimburse the expenditure for cash transfers under IRDCRP- CERC. Accordingly, this activity was identified as an eligible emergency support measure under the CERC manual of IRDCRP. The PMU has developed a manual/operational procedure applicable for cash transfers for maize, other field crops, vegetables and selected fruit crops in line with the relevant budget circulars which is included it as an Annex to this manual (Annex A)

C – Key Documents for the CERC

Rapid Needs Assessment or Equivalent Reports

16. The Government will conduct or adopt a Rapid Needs Assessment of the impacts of and needs due to the emergency or crisis. The RNA will be based on the methodology and requirements mandated in the country. For the adoption of assessments or equivalent reports, the Government will rely on relevant UN Agencies or other Third-Party agencies to be agreed with the World Bank depending on the type of emergency or crisis.
17. The assessment will focus on immediate needs as a more comprehensive impact and needs assessment may follow if the situation so demands. It will also help in the selection of the activities / items from the Manual's positive list to be included in the Emergency Action Plan.

Emergency Action Plan

18. The Government of Sri Lanka will prepare the EAP, which is the most critical document for Bank support under the CERC. The EAP, as detailed in Annex 1, will include the following:
 - a. Summary of the Crisis / Emergency and its socio-economic effects
 - b. Coordination & implementation arrangements
 - c. The list of activities/ items to be financed, based on the positive list agreed in the CERC Manual and considered in the Project ESMF/ CERC ESMF
 - d. CERC Budget

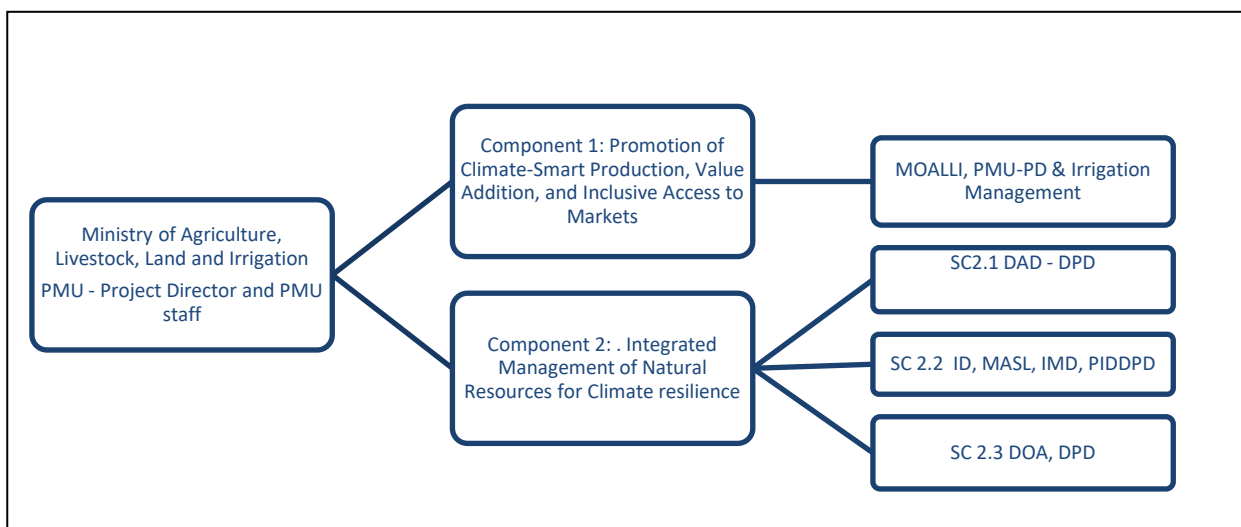
- e. Summary of the E&S implications of activities/items (list any new E&S instrument(s), and if applicable, sequencing of completion of requirements)
 - f. Summary of fiduciary aspects (procurement, FM and disbursements)
 - g. Results Framework and M&E Arrangements
 - h. Annexes:
 - Simplified Procurement Plan
 - CERC Implementation Plan (specifying the end of implementation date within 18 months of CERC Activation)
19. The Government will select the list of activities for financing under the CERC to based on (i) the positive list agreed in this Manual, and (ii) priorities identified in the Rapid Needs Assessment or other reports, as indicated above.
20. **Adjustments to the Emergency Action Plan.** The EAP may be adjusted during CERC implementation, based on new information of needs and cost estimates, if the Government considers it necessary. For this, the Ministry of Finance, Planning and Economic Development will send a request for no objection of such adjustment to the World Bank. The Government will also ensure that the changes to the EAP are consistent with this Manual. If needed, the Manual can be updated in parallel to the adjustments to the EAP. Any fiduciary or environmental and social implications of the adjustment will need to be considered and addressed.

Fiduciary and Environmental and Social Document and Instruments

21. The required documents regarding **CERC fiduciary requirements are detailed in Sections E through F**. These include especially a simplified PPSD section in the Project’s PPSD, and the simplified Procurement Plan. In emergency response or recovery situations, the Borrower may be unable to complete the full PPSD and Procurement Plan during preparation. In such cases, their finalization may be differed to the implementation phase.
22. **The E&S requirements are discussed in Section G.** As agreed, the ESMF of the Project includes a section on the CERC.

D - Coordination & Implementation Arrangements

23. The Ministry of Finance, Planning, and Economic Development will confirm to the World Bank the implementing agency or agencies for the CERC activation and/or implementation in the Request Letter for CERC Activation.
24. The Ministry of Finance, Planning and Economic Development will serve as the Coordinating Entity for emergency response, including the CERC.
25. Other relevant agencies will provide technical assistance to the CERC Implementing Agency, such as Ministry of Agriculture, Land, Irrigation and Livestock (MoALLI) Department of Agrarian Development (DAD), Department of Agriculture and Department of Animal Production and Health. Moreover, the Government can strengthen its implementation and supervision capacity for the CERC through the engagement of technical consultants to support the governmental agencies for fiduciary, E&S, M&E.



26.

Figure 1: Implementation Arrangements for CERC

27. Below is a table that summarizes the specific steps associated with the activation, implementation, and closing and evaluation of the CERC, the assigned responsibilities and estimated time:

Table 2: Steps for Activation, implementation and Closing of the CERC

Step	Actions	Responsible	Estimated Time
	Decision to Activate the CERC: The Government may inform the Bank in advance about its interest of activating CERC (and of the need for Bank technical assistance for preparatory activities such as the Rapid Needs Assessment).	MoFPED	Completed
1	Preparation of Rapid Needs Assessment or Report: The Government will undertake the necessary steps to complete a Rapid Needs Assessment	Designated CERC Implementing Agency	Completed
2	Preparation of Emergency Action Plan (EAP): The Government will prepare the EAP, with WB advice if requested, including a list of emergency response activities based on the results of the Rapid Needs Assessment or equivalent report	Relevant GOSL agencies	Completed
3	Request of activation and Activation Package: The MoFPED will sign the letter requesting the activation of the CERC to WB. This letter will be part of the Activation Package described above.	MoFPED	Completed
4	World Bank review and non-objection of CERC Activation and lifting of Disbursement Conditions: The Bank upon positive review of activation request, formally grants non-objection, including in the same communication the notification of fulfillment of disbursement conditions. Bank reconfirms Paris Alignment of EAP activities.	WB	Completed
5	Request for Funds for CERC Implementation: The Bank provides CERC advance(s), direct payments, reimbursements upon activation (as agreed in DFIL). It will process the reallocation of funds from disbursement categories to CERC as part of overall Project restructuring within 3 months of CERC activation.	WB	Completed

6	Implementation of the Emergency Action Plan under CERC: The Designated CERC Implementing Agency (IA) starts the implementation of approved emergency activities agreed upon in the EAP. All Procurement, Financial Management, and Monitoring and Evaluations aspects of EAP will follow the guidance of this manual, as confirmed in the EAP	MoALLI- PMU (IRDCRP)	18 months (EAP implementation period)
7	Final Reporting: a final CERC Completion Report will be prepared by the designated CERC Implementing Agency or Agencies once all emergency activities are finished within the implementation period of the CERC	Designated CERC Implementing Agency or Agencies	24 months (6 months from end of EAP implementation date)
8	Closing of CERC Activation and end of EAP implementation: The Government and the Bank will ensure adequate closing within six months of end of EAP implementation date. This will include submission of audit reports and any other agreed technical, fiduciary and safeguards reports	MoFPED, MoALLI- PMU (IRDCRP)	24 months (6 months from end of EAP implementation date)

E - Procurement

28. Procurement falls under Paragraph 12 of IPF Policy, Projects in Situations of Urgent Need of Assistance or Capacity Constraint, once the CERC is activated. The Designated CERC Implementing Agency or Agencies (DCIAs) are responsible for ensuring that the procurement policies and procedures governing the CERC are fully and successfully applied to the contracting of goods, works and services related to the EAP. In addition to ensuring that the procurement policies and procedures are applied, DCIA(s) are also responsible for ensuring that all the proposed activities on the EAP are consistent with the Positive List of activities agreed in this Manual.
29. In line with the World Bank’s Procurement Framework, the procurement under the CERC will be carried out in accordance with the ‘Procurement Regulations’ for IPF Borrowers (*Procurement in Investment Project Financing- Goods, Works, Non-Consulting and Consulting Services, -Sixth Edition February 2025*) introduced by the World Bank under the Procurement Framework (PF) and ‘*Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants*’, revised as of July 1, 2016; and the provisions stipulated in the Financing Agreement of the project. However, under emergency situations as stipulated in the ‘Procurement Regulations’ pursuant to Section V-para 5.7 the World Bank may agree to use the Borrowers’ national procurement arrangements which are broadly in consistent with the ‘Procurement Regulations’. Moreover, as per the provisions of the IPF Policy, paragraphs 12-14, regarding “Projects in Situations of Urgent Need of Assistance or Capacity Constraints” apply to CERCs when they are activated.
30. The CERC will finance goods, works, non-consulting, and consulting services (in addition to relevant training and operational costs) for emergency response as specified in the World Bank’s Procurement Regulations. Normally, no Bank prior review is required during the immediate response and recovery phase of the emergency and Bank procurement oversight will be provided through implementation support missions, procurement post reviews by the Bank or other third parties acceptable to the Bank or through independent procurement reviews. The thresholds for selection methods and prior review to be applied to procurement under CERC during the implementation phase based on the World Bank’s emergency procurement procedures will be agreed upon with the World Bank and included in

the Project Procurement Strategy for Development (PPSD) and the Procurement Plan. Contract below thresholds for prior review will be subject to post review based on a 20 percent sample.

31. **Bidding Documents:** International procurement for works, goods and non-consulting services will be carried out using the Bank's Standard Procurement Documents (SPDs). The Standard Request for Proposals (RFPs) shall be used for the selection of consultants through competitive procedures. In the case of national procurement, the National Standard Bidding Documents (SBDs) as agreed upon with the Bank can be used. For shopping, a simple Invitation to Quote as agreed upon with the World Bank shall be used.
32. In accordance with paragraphs 2.1 and 2.2 (e) of Annex 4 of the Procurement Regulations, each bidding document and contract financed out of the proceeds of the credit shall provide the provisions on fraud and corruption, and the provision that the bidders, suppliers, contractors and subcontractors shall permit the World Bank to inspect their accounts, records and other documents relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the World Bank.

Project Procurement Strategy for Development (PPSD) and Procurement Plan:

33. The procurement arrangements under CERC activities will be included as a section in of **Project Procurement Strategy for Development (PPSD)**. The 'CERC-PPSD' section will be simplified and fit for purpose, prioritizing critical procurement and contracting that may face market challenges due the country context, global conditions, or urgency. If the situation during the immediate response does not allow for adequate time and resources during the CERC activation process, the completion of the PPSD can be deferred to the implementation phase.
34. Selection methods, selection arrangements, and market approach options including the security considerations, using streamlined procedures e.g., use of Direct Selection or Request for Quotations for large contracts and consultants' qualification-based selection will be adopted when it is appropriate. Streamlined procurement arrangements, especially those that limit competition such as Direct Selection, will be documented in the PPSD.
35. **A simplified Procurement Plan** will be prepared and agreed upon based on the list of activities included in the Emergency Action Plan. This plan will be uploaded into the Systematic Tracking of Exchanges in Procurement (STEP) following the notification by the World Bank of the CERC Activation.

Selection Methods:

Consultants:

36. **Direct Selection:** Direct selection of consulting firms and individuals should be used only if it presents a clear advantage over competition for the required consulting services. Firms that are already working in the country and that have a proven track record in similar assignments may be the most suitable option for the start-up activities. Consultants selected on a single-source basis may be given the right to participate in future assignments under the same project provided that there is no conflict of interest with the tasks performed under the initial contract. However, for future or downstream assignments, any available information must be shared with all participating firms to ensure a level playing field.

37. *Selection of Consulting Firms through Consultant’s Qualification Based Selection (CQS):* CQS is often the appropriate method for small assignments. At least three qualified firms shall be requested to provide information about their relevant experience and qualifications. From the firms that have submitted an EoI, the Borrower selects the firm with the best qualifications and relevant experience and invites it to submit its technical and financial Proposals for negotiations. When justified, the World Bank may agree to the use of CQS for contracts estimated to cost more than US\$300,000. The Request for Expression of Interest does not necessarily need to be advertised.
38. *Consultant Shortlists:* On an exceptional basis, the World Bank may clear shortlists of consultants where fewer than six firms have expressed an interest in submitting requests for proposals and where a wide geographic spread of shortlisted consultants cannot be achieved. If advertising at an international or national level would impede rapid selection, advertisement for expressions of interest may be forgone or limited to the local/state levels for assignments with estimated cost of less than US\$300,000. The selected firm is then requested to submit simplified technical and financial proposals.
39. *Other Streamlined Approaches:* Using a “pool of experts” or a list of “preselected” consulting firms may also be considered as an appropriate method for supporting counterpart agencies at various steps of project execution, including the procurement process and the preparation of ToR, shortlists, RFPs, and bidding documents. Remuneration and fees may be resolved at the time of pre-selection and prescribed in a framework agreement.

Civil Works, Goods, and Non-Consulting Services:

40. *Direct Selection:* Direct selection for the procurement of civil works, goods, and non-consulting services may be used to extend an existing contract or award new contracts in response to disasters. For such contracting to be justified, the World Bank should be satisfied that the price is reasonable and that no advantage could be obtained by further competition. The direct contracting may be from the private sector, UN agencies/programs, or contractors or NGOs that are already mobilized and working in the emergency areas.
41. *Request for Quotation:* Request for Quotations may be an appropriate method for procuring readily available off-the-shelf goods, or simple civil works. The Request for Quotations selection method can be used even for large contracts and the justification noted in the PPSD or procurement records as appropriate. Normally at least three price quotations should be obtained. In case that less than three suppliers or contractors are available (or less than 3 quotations are received), such situation shall be noted in the procurement records and the process shall be continued.
42. *National Procurement Procedures:* Simplified national procedures and documentation agreed upon with the World Bank can be used where international procedures are considered to be inappropriate or too complex due to implementation capacity issues, and where there is clearly no international market appetite to participate in bidding.
43. *Simplification of Pre- and Post-Qualification Criteria:* The pre- and post- qualification criteria requirements of the World Bank’s SPDs for both Large Works and Small Works can be amended in order to optimize the participation of available local or regional contractors in consultation with the Bank. In particular, adapting the qualification requirements to match the qualifications of available and competent local and regional contractors.

44. *Prequalified Suppliers and Contractors:* Using lists of prequalified suppliers and contractors, to whom periodic invitations are issued, may also help accelerate the procurement process. Such an approach could be used for a large number of similar simple contracts of any size, as well as for procurement of commodities. Prequalification documents may use a simplified format that is acceptable to the Bank. Suppliers and contractors would be asked to provide quotations for simple unit prices, as for commodities. Contracts should be awarded on a competitive basis, and may be for up to two years, with a price escalation clause and the possibility of extension upon mutual agreement between the client and the supplier.
45. *Accelerated Bid Times:* Under international and national procurement, accelerated bid times might be envisaged, but bidding periods shorter than 15 days for international and 7 days for national should be cleared with the World Bank, taking into consideration the capacity of firms (local and international) to prepare responsive bids in a short period.
46. *Waiving Bid and Performance Security Requirements:* For contracts for goods or works, the preparation of bids will be accelerated by taking the option, set out in paragraph 5.35, Section V of the Procurement Regulations, on using bid securing declaration instead of bid security. Similarly, in the case of small works and supply of goods, the borrower may decide not to require a performance security. However, in works contracts, retention money may be retained during the liability period; and for goods contracts, manufacture warranties will be requested.
47. *Advance Payment.* Where it is not easy for contractors and suppliers to obtain lines of credit from banks, the Government may consider increasing the amount of advance payment under works and supply contracts to up to 40 percent of the contract value, provided that the contractor/supplier provides a bank guarantee for the same amount and the World Bank clears this increased value of advance payment.

Special Procurement Arrangements²

48. **Commodities:** Procurement of commodities, such as food staples, must be in accordance with paragraph 6.51, Section VI of the Procurement Regulation. Priority commodities must be determined in response to the basic needs resulting from the emergency, in particular the needs of the poor and vulnerable populations.
49. **Force Account:** In emergencies when construction firms are unlikely to bid at reasonable prices because of the location of and risks associated with the project or a certain government agency has a sole right in certain type of work (e.g., railway track work, high tension transmission cables), Force Account for repair/reconstruction using the Government agency's own personnel and equipment or a government-owned construction unit may be the only practical method (see paragraph 6.54 and 6.55, Section VI of the Procurement Regulations).
50. **Use of stand-by arrangements:** There is no need to wait for an emergency to make arrangements for procurement of emergency works, goods and services. The Government may carry out advanced procurement procedures according to those established in this Manual and WB Procurement Regulations under Framework Agreements (FAs). This long-term agreement with suppliers, contractors and providers of non-consulting services sets out terms and conditions under which

² The Special procurement arrangements described herein shall be included in the Manual and used if agreed with the Bank.

specific procurements (call-offs) can be made throughout its term. FAs are generally based on prices that are either pre-agreed or determined at the call-off stage through competition or a process allowing their revision without further competition. Prior arrangements allow the offering and signing of contracts, whose execution is only triggered when a disaster strikes.

51. **Use of United Nations Agencies:** UN agencies may be hired on a sole-source basis for contracts for which they offer their unique roles and qualifications in responding to emergency situations. Standard forms of agreement for UN agencies as acceptable to the World Bank will be adopted. For those UN agencies, where such forms have not been agreed with the World Bank, the World Bank's team will provide acceptable sample forms.
52. The UN agencies may participate in activities financed by the CERC in one of the following ways:
 - The UN implements all or part of project activities on behalf of the country
 - The UN acts as a supplier of critical goods (e.g., vaccines)
 - The UN acts as a provider of technical services
53. **Links to World Bank Standard Bidding and Proposal Documents**
 - National Procurement Document: <http://www.treasury.gov.lk/starndard-bidding-documents>
 - World Bank Standard Procurement Documents SPDs: <https://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>

E - Fraud and Corruption

54. All procurement entities as well as bidders and service providers (i.e., suppliers, contractors, and consultants) shall observe the highest standard of ethics during the procurement and execution of contracts financed under the Project in accordance with Annex IV of the Procurement Regulations and the World Bank's 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (dated July 1, 2016.)

F - Disbursement & Financial Management

55. The FM arrangements for the CERC include planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing. These would be aligned with the fiduciary requirements of the World Bank Operational Policies and Principles for Investment Project Financing (IPF) and Paragraph 12 of the IPF Policy. The project PMU will be responsible for overall FM coordination and monitoring of activities of the CERC. The Designated PMU will coordinate, provide oversight, and be responsible for the overall maintenance of FM arrangements, including (a) ensuring compliance with all financial covenants in the Financing Agreement(s); (b) obtaining funds from the World Bank and managing such funds in an efficient, effective, and transparent manner; (c) providing financial reports and project audit reports to the World Bank; (d) overall management of imprest transfers, payments, and accounting functions; (e) managing the internal and external audit processes and following up on audit issues; and (f) responding to any other requests relating to FM made by the World Bank team.
56. The PMU will be responsible for ensuring adequate budgetary allocations for the CERC Component is included in the GOSL annual budget estimates under the relevant Ministry. An adequate amount of

budget provision will be made available under direct foreign financing and counterpart financing as necessary to finance the CERC activities implemented under the project.

57. Disbursements under the CER Category will be contingent upon the fulfilment of the disbursement conditions specified in the Financing Agreement and summarized above in this Manual. Disbursements shall be made based on the approved Emergency Action Plan, and shall be subject to evaluation, examination, and approval by the World Bank.
58. Upon Notification for CERC activation, MoF will send to the World Bank the list of authorized signatories for withdrawal of funds under CERC along with completed Withdrawal Application. The application will request the World Bank to advance the resources allocated to the CER Disbursement Category to the CERC designated account to finance eligible expenditures as they are incurred and for which supporting documents will be provided later.
59. Funds for the CERC will be channeled through a separate designated account in the name of the Deputy Secretary to The Treasury [denominated in US Dollars] at the Central Bank of Sri Lanka. World Bank will advance funds to the DA account and withdrawals from the DA will only be made to be used for eligible expenditures incurred related to emergency activities laid out in the Emergency Action Plan with a focus on efficiency and cost-effectiveness. In addition, the PMU will open a separate dedicated Sri Lankan Rupee (LKR) account that will be operated by the PMU to transfer funds from the DA and make payments for eligible project expenditures. This account will operate to track payments made using World Bank proceeds. Exchange losses due to the transfer from the DA to the LKR account will not be considered eligible expenditure for financing by the World Bank.
60. All payments will be managed centrally by the PMU. However, if operational expenditures (IOC) need to be incurred at the District Secretariats, the PMU may use the advance method where an advance up to a fixed ceiling will be transferred to District Secretariats, to pay for the incremental operating costs (IOC) costs. The District Secretariats on a periodic basis will need to report back on expenditures incurred at the end to the project PMU to incorporate the same in the IUFs as expenditures. The PMU will be responsible for liquidation and reconciliation of these advances.
61. The PMU will be responsible for requesting disbursement of funds in accordance with the instructions contained in the Project's Disbursement and Financial Information Letter (DFIL) and for ensuring that funds are accounted for, and their use reported to the World Bank on a timely manner. The ceiling for DA advance will be variable, based on forecast of emergency expenditures for a period of six months [for 2 quarters]. Expenditure incurred under the CER Category will be reported as part of the Interim (IFR) and unaudited financial reports and submitted to the Bank as per the requirement of the Financing Agreement(s).
62. The Disbursement methods, consistent with the DFIL, are reimbursement, advance, and direct payment and special commitments. Direct payment disbursement method would be used for large contracts, specifically when this involves foreign exchange payments. Under this method, payments would be made directly by the World Bank to the bank account of supplier/consultant. Special Commitment disbursement method can also be used for goods, where payment would be made to the bank of the supplier. In case of payments to UN agencies, UN Commitment/advance disbursement mechanism would be used. Under this mechanism, payment would be directly made by the World Bank to the UN agency. Under the reimbursement method, the eligible expenditure will be pre-financed by the GoSL using its own funds and subsequently will be reported by the PMU to the World Bank through Interim unaudited Financial Reports (IUFs) for reimbursement.

63. Supporting documentation required to be provided with the signed application for withdrawal are as follows: (i) *For requests for Reimbursement: Interim Financial Reports* Statement of Expenditure along with supporting documents; (ii) *For reporting of eligible expenditures paid from the Designated Account and advance to the Designated Account: Interim Unaudited Financial Reports covering the sources and uses of funds* Statement of Expenditure, and a Designated Account Reconciliation statement, Expenditure by project components and sub-components, Expenditure on contracts subject to prior review by Categories as stipulated in the FA, Information on expenditure not subject to prior-review by Categories as stipulated in the FA and related bank statements/ Bank reconciliation statements and the Cash forecast; and (iii) *For requests for Direct Payment: Records* evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and copy of contracts. (iv) *For requests for Special Commitments: Letter of Credit, proforma invoices, SWIFT payment confirmation.*
64. **The CERC will be subjected to internal and external audits.** The Project Internal auditor will carry out the internal audit of expenditure incurred under the Emergency Action Plan, including reviewing inventory and output of works, goods, and services, as applicable. The PMU will share internal audit reports with the World Bank within 60 days of the end of each quarter.
65. The external audit of the CERC will be carried out by the National Audit of Sri Lanka (NAOSL) which is acceptable to the World Bank. Separate financial statements for the CERC will be prepared by the PMU and will be audited annually by the National Audit Office (NAOSL). The final audit report audited financial statements along with the management letter will be submitted to the World Bank within six months of the end of the financial year.
66. Regarding activities that will be implemented with UN Agencies' support, the UN agencies will account for the funds using their institutional accounting rules and regulations. These agencies will provide quarterly Fund Utilization Reports that show funds received and related expenditure, alongside progress reports, to the World Bank and the Ministry of Finance [or relevant authority in the country]. Any World Bank funds received for CERC activities by UN agencies that are not fully utilized by the closing date of the CERC will be refunded to the World Bank.
67. **Ensuring Eligibility of CERC Expenditures.** The PMU will be responsible for ensuring that the financial management and disbursement policies and procedures governing the CERC are fully and successfully applied to the management of the financial resources mobilized through the CER Disbursement Category in support of the activities included in the Emergency Action Plan.
68. Only eligible Emergency Expenditures as defined in this Manual are to be financed with the proceeds of this category. Ineligible expenditures are not eligible for financing and fulfil the following characteristics:
- a. Expenditure declared ineligible on account of audit or review
 - b. Items not procured in accordance with the procurement strategy and procurement plan and agreed procedures
 - c. Expenditures for which the borrower has been unable to provide sufficient and appropriate evidence
 - d. Payments made or due for expenditures incurred after the closing date for the activities completed after the closing date.
69. The World Bank may suspend disbursement or cancel the undisbursed balance of CERC funds, or require refund of disbursed CERC funds, if the Government or any of its agencies and contractors have

used such funds in a manner inconsistent with the provisions of this Manual and the Financing Agreement(s).

70. The PMU shall keep at least 10 years after the completion of the EAP all supporting documents evidencing eligibility expenditures financed with CERC funds. These supporting documents shall be made available for examination by the World Bank or any other Government's authority.
71. **Unutilized CERC Funds.** Unutilized advances to the CERC's designated account must be refunded to the World Bank, within 2 months after completion of the Emergency Action Plan. CERC's designated account may remain open, and the Government will ensure that all amounts from the CER Disbursement Category advanced to the designated account are accounted for and their use reported to the World Bank on a timely manner, in no case later than the disbursement deadline date of the Project.
72. The Government may decide, regarding undisbursed funds in the CER category to: (i) request the Bank to cancel the remaining funds allocated to the CERC; (ii) request that such funds be reallocated back to the Project's disbursement categories and components; or (iii) keep the undisbursed balance in the CER category for a potential new CERC activation considering the country's vulnerability to certain emergencies. The Government will inform the World Bank about the option selected and will send formal requests if (i) and/or (ii) are selected.

G – Environmental and Social Framework

73. All project activities - including those financed through the CERC, are subject to WB's Environment and Social Framework (ESF) identified in the FA, keeping in mind that Paragraph 12 of the IPF Policy applies to the CERC activities once it is activated. Therefore, the guidelines and procedures provided in the Environment Social Management Guideline (ESMG) of the project, updated as necessary, will continue to be applicable for physical activities financed through CERC.
74. The Environmental and Social Management Guideline (ESMG) of the Project will be updated to include the CERC component. As such, investments under the CERC component will use either (i) simplified E&S due diligence procedures such as the application of Environment and Social Codes of Practice (ESCOs) or (ii) regular screening and assessments as outlined for project components, depending the scale and type of in emergency reconstruction work undertaken. Activities that require complex assessments such as activities that will likely to have significant impacts on natural habitats or on physical cultural resources should not be financed under CERC and will be only undertaken once the appropriate assessments are completed. Similarly, the CERC will select reconstruction work with an emphasis on avoiding or minimizing adverse impacts on private landowners and non-title holders. Towards minimizing adverse social impacts, the CERC will adopt the guiding principles set out in the ESGM.
75. The ESGM information for the CERC includes, as a minimum:
 - a) Identification of potential activities that the CERC would finance based on the Positive list included in this Manual
 - b) Analysis of potential Environmental and Social Risks and Impacts
 - c) Environmental and Social Management Procedures:

- Step 1: Application of the ES Screening Form for larger investments (LKR 20 million and more)
 - Step 2: Identification of ES risks/impacts and measures and inclusion of management plans in the tender documents. For smaller works (typically below LKR 20) include E&S codes of best practice in the contract documents.
 - Step 3: Monitoring during implementation
 - Step 4: Completion and Evaluation
- d) Institutional Arrangement for the E&S management during CERC implementation
76. The institutional and implementation arrangements to manage safeguards in CERC will follow the same process that has been agreed for the overall project. The PMU of IRDCRP will ensure compliance with all the E&S requirements and reporting, as established in the ESCP. The current E&S staffing strength of the PMU will need to be increased, as required, in order to handle the increased E&S due diligence work as a result of the CERC. Any updates to the Project's ESCP, due to the CERC Activation or implementation, will be subject to World Bank review and be agreed between the PMU of IRDCRP and the World Bank via exchange of letters as defined in the provisions of the respective ESCP, prior to disclosure. The updating of the ESCP can be completed as part of the Project restructuring to be processed within three months of CERC Activation.
77. Activities financed under the Contingent component will be limited to provision of critical goods and services, as well as repair or reconstruction of damaged infrastructure outlined in a positive list in this OG (Table 3). Land acquisition leading to involuntary resettlement and/or restrictions on access to resources and livelihoods is not anticipated. It is also unlikely that changes to the applicable E&S standards of the project will be required.
78. In the case of the procurement of works requirement the mobilization of civil works contractors, the bidding documents will include standard codes of conduct for workers and supervisors, specifying appropriate conduct and sanctions related to community relations, gender-based violence, child protection, human trafficking, and sexual exploitation and abuse.
79. **CERC Grievance Mechanism.** A functioning grievance mechanism is required during CERC implementation. The CERC will rely on the Project's grievance mechanism, which will be scaled up to cover geographical areas included under the CERC but outside the Project's areas of intervention.

Negative List:

80. The activities listed below are not eligible for CERC financing. In addition, any equipment or surplus goods and materials procured through the CERC cannot be used for these activities.
1. Activities of any type classifiable as High Risk as per the ESF
 2. Activities that would lead to conversion or degradation of critical forest areas, critical natural habitats, and clearing of forests or forest ecosystems
 3. Activities affecting protected areas (or buffer zones thereof), other than to rehabilitate areas damaged by previous natural disasters.
 4. Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land)
 5. Land clearance and leveling in areas that are not affected by debris resulting from the eligible crisis or emergency
 6. River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel)

7. Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households' use of land and livelihoods
8. Construction of new roads, realignment of roads, or expansion of roads, or rehabilitation of roads that are currently located on communal lands but will be registered as government assets after rehabilitation
9. Activities on lands abandoned due to social tension / conflict, or where the ownership of the land is disputed or cannot be ascertained
10. Activities which, when being carried out, would affect, or involve the use of, water of rivers or of other bodies of water (or their tributaries) which flow through or are bordered by countries other than the Borrower/Recipient, in such a manner as to in any way adversely change the quality or quantity of water flowing to or bordering said countries

Monitoring & Evaluation Framework

81. The Government recognizes the importance of monitoring and evaluation of the CERC financed activities given that it represents a novel approach to financing crisis or emergency response and recovery and will require particularly strong oversight to ensure swift implementation of emergency activities and ensure expected results of such activities.
82. The overall objective of the Monitoring and Evaluation framework is to ensure that CERC-financed activities are implemented efficiently and transparently, reach intended beneficiaries, and achieve the expected results through timely tracking, reporting, and learning
83. Upon the CERC activation, additional indicators related to CERC will be added to the Project's result framework during the CERC-related restructuring. These indicators will be agreed with the Government and included in the Emergency Action Plan, specifying at least one PDO level indicator and one intermediate indicator for each component or group of activities included in the EAP. The EAP will include the specific M&E Plan and budget for the financing of this plan. A final evaluation will be carried out to assess whether the CERC results were achieved, and the lessons learned, among other things. This information will be required for the final evaluation of the Project.
84. The PMU of IRDCRP will be responsible for the overall M&E related to the activities funded from the CERC and will obtain the services of an M&E specialist. This Specialist will prepare six-monthly progress reports, which will be submitted to the World Bank within 15 days of the end of the respective period.

Closing of CERC and EAP Implementation

85. The CERC can be activated at any time during Project implementation. Considering that the CERC is expected to be implemented in a relatively short time, the Project's implementation will most likely continue after the EAP has being completed. Accordingly, all technical, fiduciary and safeguard requirements related to the CERC will be finalized within six months of the end of implementation of the EAP and should not go beyond the disbursement deadline date of the Project. These include:

- *Fiduciary Requirements:* Audit Report, interim unaudited financial reports, and proper documentation and closing of CERC designated account.
- *M&E Requirements:* final evaluation report of the CERC, and any other technical and social and environmental reports agreed upon CERC activation listed in the EAP.

86. In case of a surplus of goods and materials financed by the CERC, these may be used by the Government for the purposes of emergency response. The management of vehicles, motorcycles, boats, and other equipment should follow the standard administrative and inventory procedures applicable to the [Designated CERC IA]. The [Designated Agency] will report annually on the usage and location of the equipment purchased under the CERC until the Project closes. This will be reviewed and audited by the external auditor under the Project as indicated in the external audit TOR after the EAP implementation period. The reports must document that goods are used as outlined in this Manual.

87. The CERC Implementation End Date is 18 months from the CERC Activation Date. Within four months after the end of the implementation of the EAP, the [Designated CERC IA] will document expenditures, verify inventories, and finalize payments. On receipt of the final progress and financial reports on the activities undertaken under the agreed EAP, the World Bank will notify the Government that the CERC for the specific EAP and its eligible expenditures is closed, and that no further withdrawals will be permitted for purposes of the emergency.

