
**CREDIT NUMBER 6591-MV
GRANT NUMBER D595-MV**

Financing Agreement

(COVID-19 Emergency Response and Health Systems Preparedness Project)

between

REPUBLIC OF MALDIVES

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

**CREDIT NUMBER 6591-MV
GRANT NUMBER D595-MV**

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MALDIVES (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to two million seven hundred thousand Special Drawing Rights (SDR 2,700,000) (“Grant”); and
 - (b) an amount equivalent to two million seven hundred thousand Special Drawing Rights (SDR 2,700,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall carry out the Project, through MOH, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Ministry of Finance
Ameenee Magu
Male 20379
Republic of Maldives; and

(b) the Recipient's Electronic Address is:

Telex:
+9603349390

E-mail:
dmd@finance.gov.mv

5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and


(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF MALDIVES

By



Authorized Representative

Name: Ibrahim Ameer

Title: Minister of Finance

Date: 03-Apr-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Idah Z. Pswarayi-Riddihough

Title: Country Director Maldives, Nepal and Sri Lanka

Date: 02-Apr-2020

SCHEDULE 1

Project Description

The objective of the Project is to respond to and mitigate the threat posed by COVID-19 and strengthen national systems for public health preparedness in the Maldives.

The Project constitutes a phase of the MPA Program, and consists of the following parts:

Part 1: Emergency Response for COVID-19 Prevention

- (a) Provision of medical equipment and supplies.
- (b) Support with the implementation of social distancing measures, financing of community awareness campaign, distribution and use of face masks, promotion of personal hygiene practices and community participation in slowing the spread of the pandemic, as well as other measures to mitigate effects of long-term social distancing.

Part 2: Emergency Health System Capacity Strengthening for COVID-19 Case Management

- (a) Strengthening laboratory and diagnostic capacity at both national and atoll levels, including expansion of testing capacity of two regional hospitals, provision of diagnostic reagents, testing kits and special panel kits, Training of laboratory technicians, enhancing of samples transportation arrangements, and certification of safety cabinets.
- (b) Strengthening local containment capacity through establishment of quarantine and isolation units in hospitals and other existing facilities, as well as provision of Training to clinical and non-clinical workers, including volunteers, on guidelines and standard operating procedures applicable to COVID-19 related emergency.

Part 3: Implementation Management and Monitoring and Evaluation

Support for Project implementation and management, including support for procurement, financial management, environmental and social risk management, reporting, monitoring and evaluation, and provision of Training and Incremental Operating Costs.

Part 4: Contingent Emergency Response Component

Provision of immediate response to an Eligible Crisis or Health Emergency.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For the purposes of overall oversight and guidance, as well as multi-sectoral coordination of Project activities the Recipient shall establish, not later than one month after the Effective Date, and after that maintain throughout the implementation of the Project, the Project Steering Committee with the composition, responsibilities and terms of reference satisfactory to the Association.
2. The Recipient shall vest responsibility for the overall implementation of the Project in MOH. To this end the Recipient, through MOH, shall:
 - (a) not later than one month after the Effective Date establish within MOH, and thereafter maintain throughout the implementation of the Project, the Project Management Unit for the purposes of day-to-day Project management and implementation, including financial management, procurement, and social and environmental safeguards issues, with the composition, responsibilities and terms of reference at all times satisfactory to the Association;
 - (b) not later than forty-five (45) days after the Effective Date adopt the Project Operational Manual, satisfactory to the Association and setting forth the procedures and requirements for the implementation of the Project activities, and after that implement the Project in accordance with such manual;
 - (c) ensure that the collection, use and processing (including transfers to third parties) of any personal data collected under the Project will be done in accordance with the requirements and procedures set forth in the POM, and ensuring legitimate, appropriate and proportionate treatment of such data; and
 - (d) ensure that: (i) construction works to be carried out under the Project are limited to renovation and refurbishment of the existing public health facilities and of other buildings for the purposes of quarantine or isolation, and to installation of pre-fabricated units; and (ii) any civil works to be carried out under the Project are undertaken on the existing facilities and within their established footprints.

B. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

C. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall:
 - (a) prepare and furnish to the Association, for its review and approval, a Contingent Emergency Response Implementation Plan (“CERIP”) which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefore (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of any relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;
 - (b) afford the Association a reasonable opportunity to review the proposed CERIP;
 - (c) promptly adopt the CERIP for the Contingent Emergency Response Part as accepted by the Association;
 - (d) ensure that the Contingent Emergency Response Part is carried out in accordance with the CERIP, provided, however, that in the event of any inconsistency between the provisions of the CERIP and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERIP without the prior written approval by the Association.

2. The Recipient shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Health Emergency has occurred, has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said Eligible Crisis or Health Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has ensured the disclosure of all Environmental and Social instruments/plans required for said activities in accordance with the ESCP, the Recipient has approved all such instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.
3. Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in Part 4 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERIP.

D. Procurement

Without limitation upon Section 5.13 of Article V of the General Conditions, all contracts procured by the Recipient in accordance with Section V, paragraphs 5.1 and 5.2 *Advance Contracting and Retroactive Financing of the Procurement Regulations*, shall be eligible for financing from the proceeds of the Financing only if the related contractors, suppliers, and consultants have expressly agreed to comply with the Anti-Corruption Guidelines, as required under Section I.E below.

E. Anti-Corruption

Without limitation upon Section 5.14 of Article V of the General Conditions, the Recipient shall ensure that all contractors, suppliers, and consultants financed from the proceeds of the Financing have expressly agreed to comply with the provisions of the Anti-Corruption Guidelines, including the Bank's right to inspect all accounts, records, and other documents relating to the Project that are required to be maintained pursuant to this Agreement, and to have them audited by, or on behalf of, the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project	2,700,000	2,700,000	100%
(2) Emergency Expenditures under Part 4 of the Project	0	0	100%
TOTAL AMOUNT	2,700,000	2,700,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount of the Credit not to exceed SDR 1,080,000 and up to an aggregate amount of the Grant not to exceed SDR 1,080,000 may be

made for payments made prior to this date but on or after January 1, 2020, for Eligible Expenditures; or

- (b) for Emergency Expenditures under Category (2), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Health Emergency has occurred, (B) has furnished to the Association a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and (C) the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all environmental/social documents, (including ESCP) required for said activities, and the Recipient has ensured that any actions which are required to be taken under said documents have been implemented, all in accordance with the provisions of Section I.C of this Schedule 2 to this Agreement;
 - (iii) the entities in charge of coordinating and implementing the Contingent Emergency Response Part, has provided sufficient evidence satisfactory to the Association that it has adequate staff and resources for the purposes of said activities; and
 - (iv) the Recipient has adopted the CERIP, in form and substance acceptable to the Association, and the provisions of the CERIP remain relevant or have been updated in accordance with the provisions of Section I.C of this Schedule 2 so as to be appropriate for the inclusion and implementation of the activities under the Contingent Emergency Response Part.

- 2. The Closing Date is December 31, 2023.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2030 to and including February 15, 2040	1%
commencing August 15, 2040 to and including February 15, 2060	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Contingent Emergency Response Implementation Plan” or “CERIP” means the action plan referred to in Section I.C of Schedule 2 to this Agreement, acceptable to the Association to be prepared by the Recipient for the implementation of the CER Part, in accordance with the provision of said Section.
4. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
5. “Eligible Crisis” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
6. “Emergency Expenditures” means any of the Eligible Expenditures set forth in the CERIP, in accordance with the provision of paragraph 1 (a) of Section I.C of Schedule 2 to this Agreement and required for the activities to be financed under the CERIP.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 22, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out, or cause to be carried out, to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
8. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”;

(v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
10. “Health Emergency” means an event that has caused, or is likely to imminently cause, a major adverse health impact to the Recipient, associated with a natural or man-made crisis or disaster.
11. “Incremental Operating Costs” means the reasonable costs incurred by the Recipient for purposes of the management and supervision of the Project, including costs of office utilities and supplies, communication, printing services, bank charges, advertising expenses, vehicle rental, operation and maintenance of vehicles, office equipment and facilities, travel, lodging and per diem expenses, and salaries and allowances of contractual staff (other than consultants) for the Project; but excluding salaries and salary top ups of the Recipient’s civil servants or other regular government staff.
12. “Ministry of Health” or “MOH” means the Recipient’s Ministry of Health, or any successor thereto.
13. “MPA Program” means the multiphase programmatic approach program supported by the Association and designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
14. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
15. “Project Management Unit” or “PMU” means the unit to be established by the Recipient pursuant to paragraph 2 (a) of Section I. A of Schedule 2 to this Agreement.

16. “Project Operational Manual” or “POM” means the manual to be adopted by the Recipient pursuant to paragraph 2 (b) of Section I.A of Schedule 2 to this Agreement, as such manual can be amended from time to time with a prior written approval of the Association.
17. “Project Steering Committee” means the committee to be established by the Recipient pursuant to paragraph 1 of Section I.A of Schedule 2 to this Agreement.
18. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
19. “Training” means the reasonable costs of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Recipient and/or overseas, including: (a) the fees of training institutions or trainers; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances for both trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials; but excluding salaries and allowances of the Recipient’s civil servants or other regular government staff.