

Public Disclosure Authorized

CONFORMED COPY

Additional Financing
GRANT NUMBER H694-MV

Amendment to
CREDIT NUMBER 4611-MV

Project Agreement

(Pension and Social Protection Administration Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

MALDIVES PENSION ADMINISTRATION OFFICE

Dated August 7, 2011

PROJECT AGREEMENT

AGREEMENT August 7, 2011, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and MALDIVES PENSION ADMINISTRATION OFFICE (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement of even date herewith and the Original Financing Agreement dated August 12, 2009 as amended to date between the Republic of Maldives (“Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts A.2(b), A.2(c), A.2(d), B and E of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of the Financing Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is the Chief Executive Officer of MPAO.
- 4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

Maldives Pension Administration Office
Hilaalee Magu, Male
Republic of Maldives

Facsimile: +960 3305579

AGREED Male, Republic of Maldives, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Diarietou Gaye

Authorized Representative

MALDIVES PENSION ADMINISTRATION OFFICE

By /s . Abdullah Jihad

Authorized Representative

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall, throughout the period of implementation of the Project, maintain, a PMU to be provided with sufficient resources and competent staff in adequate numbers, with terms of reference satisfactory to the Association and other resources acceptable to the Association, to be responsible for the overall coordination and supervision of the execution of the Project, including carrying out financial management and procurement activities, establishing appropriate systems, and building staff capacity.
2. The Project Implementing Entity shall ensure that a Project Director, with terms of reference and qualifications satisfactory to the Association, is maintained throughout the implementation of the Project, to oversee the implementation of Parts A.2(b), (c), (d), B and E of the Project as well as the financial management and procurement aspects of the entire Project, and for coordinating the overall implementation of the Project with the Project co-directors from MOFT and MOHF.
3. The Project Implementing Entity shall implement its Respective Parts of the Project in accordance with the PIP.
4. The Project Implementing Entity shall enter into a Subsidiary Agreement with the Recipient, which shall include the provisions set out in Section I.B of Schedule 2 to the Financing Agreement.
5. The Project Implementing Entity shall exercise its rights, and carry out its obligations, under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of Project implementation and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall cover a bi-annual period (six (6)

months), and shall be furnished to the Recipient not later thirty (30) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. As part of that audit, MPAO shall ensure that a special performance audit of Part E of the Project will be carried out on terms of reference agreed with the Association. Each audit of these financial statements and the special performance audit for Part E of the Project shall cover the period of one (1) fiscal year of the Project Implementing Entity. The audited financial statements and special performance audit for Part E for each period shall be furnished to the Association not later than six (6) months after the end of the period.
3. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the entire Project, covering the quarter, in form and substance satisfactory to the Association.
4. The Project Implementing Entity shall prepare annual financial statements for the MRPS in accordance with consistently applied accounting standards acceptable to the Association. The Project Implementing Entity shall have the financial statements for the MRPS audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements and reports shall cover the period of one (1) fiscal year of the Recipient. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.
5. The Project Implementing Entity shall, after the Closing Date: (i) make the annual audited financial statements of MPRS publically available and furnish to the Association, upon its request, copies of such audited financial statements, as the Association may require; and (ii) perform a special performance audit upon the Association's request, and makes the reports and findings of such special performance audit available to the Association.

Section III. Procurement

All goods and services required for the Project Implementing Entity's Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.