

Public Disclosure Authorized

OFFICIAL DOCUMENTS

GRANT NUMBER D199-MV

Financing Agreement

(Maldives Clean Environment Project)

between

REPUBLIC OF MALDIVES

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *August 16*, 2017

FINANCING AGREEMENT

AGREEMENT dated *August 16*, 2017, entered into between REPUBLIC OF MALDIVES represented by its government through the Ministry of Finance and Treasury (variously the “Recipient” or “Maldives”) 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) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are February 15 and August 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Environment and

Energy (“MEE”) in accordance with the provisions of Article IV of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that WAMCO’s Legal Framework and/or the ICs’ Regulatory Framework has/have been amended, suspended or abrogated, repealed or waived so as to affect materially and adversely the ability of WAMCO and/or the ICs to perform any of its/their obligations under the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is the Minister of Finance and Treasury.
- 6.02. The Recipient’s Address is:

Ministry of Finance and Treasury
Ameenee Magu
Malé 20379
Republic of Maldives

Facsimile:

(960) 332 4432

6.03. The Association's Address is:

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

Facsimile:

1-202-477-6391

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

REPUBLIC OF MALDIVES

By



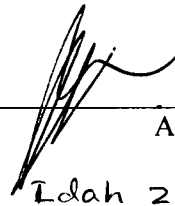
Authorized Representative

Name: AHMED MUNAWAR

Title: MINISTER OF FINANCE AND
TREASURY.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Idah Z. Pswarayi-Riddihough

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve solid waste management in Selected Zones.

The Project consists of the following components:

Component 1: National Solid Waste Management Strategy and Policy

- 1.1 *Solid Waste Management Strategy*: Providing technical assistance for the analysis and implementation of strategic measures addressing current issues on solid waste management, including: (a) preparation of a National Solid Waste Management Strategy; (b) revision of the National Solid Waste Management Policy; (c) quantum and collection of user-fee and tariffs for the collection and treatment of wastes; (d) reduction at source of select waste streams and recycling options therefor; (e) analysis of options to increase uptake of bulk water as an alternative to water in plastic bottles; (f) feasibility of a waste tracking system; (g) development of an extended producer responsibility strategy for the Maldives; (h) economic incentives for recycling and reuse of waste streams; and (i) designing and implementing national and/or zone-specific information, education and communication campaigns to promote household waste segregation and minimization, and uptake of bulk water.
- 1.2 *Feasibility Studies and Investment Preparation*: Providing technical assistance for the carrying out of a best practical environmental option study and investment pre-feasibility and feasibility studies for determining the most suitable integrated solid waste management system for Zones IV and V, as well as: (a) the specialized environmental and social impact assessments and management plans therefor; and (b) facility/systems management plans.
- 1.3 *Institutional Capacity Building*: (a) Building capacity of local institutions and individuals (including, but not limited to, the Maldives National University, WAMCO, the EPA and the WMD) in the solid waste management sector; and (b) supporting the organization of, and participation in, national and international solid waste management events to exchange knowledge, experience and lessons learnt; and (c) operations and maintenance contracts for the Vandhoo Island's Regional Waste Management Center.

Component 2: Regional Waste Management Systems

- 2.1 *Regional Waste Management System in Zone II*: (a) Providing equipment, and building storage augmentation facilities and access roads for the operationalization of the Vandhoo Island's Regional Waste Management Center.

- 2.2 *Regional Waste Management System in Zone IV and V:* (a) Establishing a new common final disposal facility for Zones IV and V, including ancillary facilities and related waste management services, pursuant to the studies carried out under Sub-Component 1.2 above; (b) providing support to WAMCO through an international contractor for the operation and maintenance of the established facilities; and (c) piloting public auctions of recyclables to scale up recyclable programs for key waste streams.

Component 3: Island Waste Management Systems

- 3.1 *Island Waste Management System in Zone II:* (a) Providing equipment and mobilization assistance to the ICs in Zone II required to improve the capacity utilization of the Vandhoo Island's Regional Waste Management Center; and (b) promoting/piloting the use of bulk water dispensers to replace water bottles in Zone II.
- 3.2 *Island Waste Management System in Zones IV and V:* Preparing and implementing Island Waste Management Plans across the atolls in Zones IV and V.

Component 4: Project Management

Strengthening MEE's institutional capacity for Project implementation, through the establishment and maintenance of a Project Management Unit to manage, implement, monitor and evaluate Project activities, including: (a) carrying out financial management, procurement activities; (b) establishing and operating adequate fiduciary and social and environmental management systems, as well as a grievance redressal mechanism; and (c) carrying out the Project's outreach and communications campaigns, as well as managing the grievance redress system.

Component 5: Contingency Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest the overall responsibility for Project implementation in its Ministry of Environment and Energy. To this end, the Recipient shall:
 - (a) establish, by no later than one (1) month after the Effective Date, and thereafter maintain, throughout the implementation of the Project, a Project Board to serve as the steering committee headed by the Recipient's Minister of Environment and Energy, and with membership, functions and terms of reference satisfactory to the Association, as set forth in the POM; which committee shall: (a) support the PMU providing inter-agency/inter-ministerial cooperation and coordination; (b) ensure timely decision making and address any implementation delays; and (c) oversee the carrying out of Project activities;
 - (b) maintain within MEE, throughout the implementation of the Project, a Project Management Unit ("PMU") under the Waste Management Department ("WMD") of MEE, chaired *ex-officio* by the head of the WMD, and staffed with competent personnel, in adequate numbers, with qualifications and experience and under terms of reference acceptable to the Association as set forth in the POM, and provided with resources and powers required for: (a) implementing and coordinating the day-to-day activities under the Project; (b) mobilizing and assisting ICs in their preparation of Island Waste Management Plans; (c) establishing regional and island waste management centers, including providing all necessary support for facilitating, processing, obtaining or facilitating any statutory clearances and/or environmental permits required therefor; (d) assisting WAMCO in securing the regional waste management centers' operations and maintenance contract(s); (e) managing the Project's financial management and procurement processes; (f) monitoring and evaluating the Project performance, and complying with the reporting requirement hereunder; (g) preparing and/or implementing the ESMPs pursuant to the ESAMF & RPF and ensuring compliance; (h) maintaining and operating a grievance redressal mechanism; and (i) carrying out the Project's stakeholders outreach and information and communication campaigns; and
 - (c) hired, by not later than three (3) months after the Effective Date, and thereafter maintain throughout the implementation of the Project, a firm

of chartered accounts, with qualification and experience acceptable to the Association, under terms of reference satisfactory to the Association, in order to serve as MEE's and the PMU's internal auditors and carry out regular financial management and procurement audits for the Project, as set forth in the POM; and

B. Project Operations Manual

The Recipient shall:

- (a) carry out the Project in accordance with the Project Operations Manual; provided that, in the event of any inconsistency between the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
- (b) not amend, revise or waive, nor allow to be amended, revised or waived, any provision of the Project Operations Manual, whether in whole or in part, without the prior written agreement of the Association.

C. Annual Work Plans

1. The Recipient shall:

- (a) prepare and furnish to the Association for review by not later than October 31 of each year of Project implementation (or such later date as the Association may agree), commencing on October 31, 2017, a consolidated annual work plan and budget for the Project, containing a detail program of Project activities proposed to be carried out during the next fiscal year (including each IWMP selected pursuant to Sub-section I.E of this Schedule), as well as the respective eligible expenditures, budgetary requirement and envisioned sources of funds (the "Annual Work Plan");
- (b) adopt each such Annual Work Plan promptly after discussing it with the Association; and
- (c) thereafter implement each such Annual Work Plan as reviewed/discussed with the Association; provided, however, that in case of any conflict between the provision of any approved Annual Work Plan and those of this Agreement, the provision of this Agreement shall prevail.

2. The Recipient shall refrain from amending any Annual Work Plan approved pursuant to paragraph 1 above without the prior written concurrence of the Association.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Regional Waste Management Centers

1. The Recipient shall refrain from initiating any activities for the establishment of the new regional waste management center for Zones IV and V under Sub-Component 2.2 of the Project, until and unless, it has carried out a feasibility study and a best practicable environmental option study on the configurations, site selection and operating conditions for such center, in a manner and substance, and under terms and conditions, satisfactory to the Association.
2. Upon construction of the regional waste management centers referred to in Component 2 of the Project, the Recipient shall take all actions required on its part to transfer to WAMCO under terms and conditions acceptable to the Association, the concession over the assets, licenses and permits of such centers, financed under the Project, subject to WAMCO's undertaking to operate and maintain the said regional waste management centers in accordance with the applicable Safeguard Documents.

F. Island Waste Management Centers

For purposes of carrying out Component 3.2 of the Project, the Recipient shall:

- (a) publicly invite ICs of islands in Zone IV and V to submit Island Waste Management Plans ("IWMPs") pursuant to the provisions the Project Operations Manual;
- (b) screen the IWMPs submitted pursuant to subparagraph (a) above in accordance with the eligibility/preparedness criteria and selection procedures set forth in the Project Operations Manual, including the prior approval by the EPA and their compliance with the requirements of the ESAMF & RPF; and
- (c) enter into written agreements with the ICs of the selected IWMPs, under terms and conditions satisfactory to the Association, whereby the Recipient commits to provide '*in-kind*' assistance for implementation of such IWMPs, and the respective ICs undertake to abide by the ESAMF & RPF and IWMP-specific ESMPs.

G. Safeguards

1. The Recipient shall:
 - (a) carry out the Project, and/or ensure that the Project is carried out, in accordance with the ESAMF & RPF, the ESIA(s) and/or ESMP(s) prepared, and/or to be prepared, pursuant to the ESAMF & RPF and paragraph 2 of this sub-section (the ESIA(s), ESMP(s) and the ESAMF & RPF collectively referred to as the "Safeguard Documents"), in each case in a manner and in substance satisfactory to the Association; and
 - (b) refrain from taking any action which would prevent or interfere with the implementation of the Safeguard Documents, including any amendment, suspension, waiver, and/or avoidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Association.
2. The Recipient shall refrain from awarding any civil works contracts and/or undertaking any activities under the Project, until and unless:
 - (a) the proposed civil works/activities have been screened by the PMU and the respective ESIA(s) has/have been prepared in accordance with the ESAMF & RPF and in a manner and substance satisfactory to the Association;
 - (b) the respective ESMP(s) required for such civil works/activities pursuant to the ESAMF & RPF/ESIA(s) has/have been prepared and submitted to the Association for review and the Association has notified the Recipient in writing of its no-objection thereto; and
 - (c) the foregoing Safeguard Document(s) has/have been publicly disclosed by the Recipient in local language(s) at the relevant Project's sites, at least:
 - (i) forty five (45) days prior to the award of the contract for the related civil works/Project activities other than regional waste management centers; and
 - (ii) one hundred and twenty (120) days prior to the award of the contract for any regional waste management center.
3. The Recipient shall ensure, prior to commencing any activities under the Project, that: (a) all necessary governmental permits and clearances for such activities shall have been obtained from the competent governmental authority/ies and submitted to the Association; (b) all pre-construction conditions imposed by the governmental authority/ies under such permit(s) or clearance(s) shall have been complied with/fulfilled; and (c) all required resettlement measures set forth in the applicable ESMP(s) shall have been fully executed, including the full payment of compensation prior to displacement and/or the provision of relocation assistance

to all Displaced Persons, as per the entitlements provided in the applicable Safeguard Documents.

4. The Recipient shall ensure that each contract for civil works and/or consulting services under the Project includes the obligation of the relevant contractor/service provider to comply with the relevant Safeguard Documents applicable to such civil works/consulting services commissioned/awarded pursuant to said contract.
5. The Recipient shall:
 - (a) maintain, throughout the implementation of the Project, monitoring and evaluation protocols and record keeping procedures acceptable to the Association and adequate to enable the Association to supervise and assess, on an on-going basis, the implementation of/compliance with the Safeguards Documents, as well as the achievement of the objectives thereof; and
 - (b) collect, compile and submit to the Association on a semi-annual basis and as part of the Project Reports, or on such other frequency as the Association may reasonably request, consolidated reports on the status of compliance with/implementation of the Safeguard Documents, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of thereof; and (c) remedial measures taken or required to be taken to address such conditions.
6. The Recipient shall, and shall cause WAMCO and the ICs to, maintain and operate, throughout the implementation of the Project, a multi-layered grievance redressal mechanism acceptable to the Association for the handling of any stakeholder complaints arising out of the implementation of Project activities, and/or the operations and maintenance of the regional and island waste management centers.
7. The Recipient shall ensure that the following Project expenditures are financed exclusively out of the Recipient's own resources, and, to this end, shall provide, as promptly as needed, the resources required therefor, namely:
 - (a) all land acquisition required for the purpose of the Project; and
 - (b) all compensation, resettlement and/or rehabilitation payment to Displaced Persons in accordance with the provision of the ESAMF & RPF and the ESMP(s).
8. In the event of any conflict between the provisions of any of the Safeguard Documents, on the one hand, and the provisions of this Agreement, on the other hand, the provisions of this Agreement shall prevail.

H. Contingent Emergency Response Mechanism

1. In order to ensure proper implementation of the Component 5 of the Project (“CER Component”), the Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, an operations manual (the “CER Operations Manual”) which shall set forth detail implementation arrangements for the CER Component, including: (i) designation of, terms of reference for and resource to be allocated to, the entity to be responsible for the coordination and implementation of the CER Component (the “Coordinating Authority”); (ii) specific activities which may be included in the CER Component, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CER Component; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER Component; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguards instruments, including management frameworks, assessments and/or plans for the CER Component consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Component;
 - (b) afford the Association a reasonable opportunity to review said proposed CER Operations Manual;
 - (c) promptly adopt the CER Operations Manual for the CER Component as shall have been approved by the Association;
 - (d) ensure that the CER Component is carried out in accordance with the CER Operations Manual, provided however that in the event of any inconsistency between any of the provisions of the CER Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive, whether in whole or in part, any provision of the CER Operations Manual without the prior approval by the Association.
2. The Recipient shall, throughout the period of implementation of the CER Component, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CER Component (and no activities shall be included in the CER Component) unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred and has furnished to the Association a request to include said activities in the CER Component in order to respond to said Eligible Crisis or Emergency,
 - (b) the Association has agreed with the foregoing determination, accepted the Recipient's request and notified such concurrence to the Recipient in writing; and
 - (c) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CER Operations Manual, the Association has approved all such instruments, and the Recipient has implemented all actions which are required to be taken under said instruments prior to the commencement of such activities.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. Notwithstanding the provisions of paragraph 1 above, the Recipient shall:
 - (a) carry out jointly with the Association, (i) by not later than eighteen (18) months after the Effective Date; and again (ii) by no later than thirty six (36) months after the Effective Date, or such other period as may be agreed with the Association, a first and second midterm reviews to assess the status of Project implementation, as measured against the performance indicators agreed with the Association. Such reviews shall include an assessment of the following: (A) overall progress in implementation; (B) results of monitoring and evaluation activities; (C) progress on procurement and disbursement; (D) progress on implementation of Safeguard Documents; (E) implementation arrangements; and (F) the need to make any adjustments to the Project to improve its performance;

- (b) prepare and furnish to the Association, at least one (1) month before the foregoing reviews, a report, in scope and detail satisfactory to the Association, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 above, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review, jointly with the Association, the report referred to in subparagraph 2(b) above, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such report and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient 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 Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

- 1. All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.
- 2. The Recipient shall refrain from:
 - (a) unilaterally cancelling any contracts awarded to any contractor pursuant to the Procurement Regulations, without prior written concurrence from the Association with such cancellation; and

- (b) awarding any contracts to any enterprise owned and/or controlled by the Recipient without prior written concurrence from the Association with such award.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

- 1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
- 2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Workshops and Incremental Operating Costs under the Project	12,800,000	100%
(2) Emergency Expenditures for the CER Component	0	100%
TOTAL AMOUNT	12,800,000	

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 870,000 may be made for payments made for Eligible Expenditures under Category (1), above, prior to this date but on or after February 1, 2017; or
- (b) 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:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include certain activities in the CER Component in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request, and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all safeguard instruments, acceptable to the Association, required for said activities, and has implemented any actions which are required to be taken under said instruments all in accordance with the provisions of Sections I.H.1 (a)(vi) and I.H.3 of this Schedule 2;
 - (iii) the Recipient has provided sufficient evidence satisfactory to the Association, that the Coordinating Authority has adequate staff and resources, in accordance with the provision of Section I.H.2 of this Schedule 2, for the purposes of said activities; and
 - (iv) the Recipient has adopted a CER Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CER Operations Manual remain –or have been updated, in accordance with the provisions of Section I.H.1 of this Schedule 2, so as to be– appropriate for the inclusion and implementation of said activities under the respective CER Component.

2. The Closing Date is December 31, 2023 .

APPENDIX

Section I. Definitions

1. “Act on Decentralization of the Administrative Divisions of the Maldives” means the Recipient’s Act 7/2010 ratified on May 17, 2010, supporting the national regionalization and decentralization program, as amended and/or supplemented to the date of this Agreement.
2. “Annual Work Plan” means each of the annual detailed work plans and associated budget for Project activities to be prepared by the PMU pursuant to Section I.C of Schedule 2 to this Agreement.
3. “Atoll Council” means the governing of each atoll administrative division of the Recipient established pursuant to Chapter 3 of the Act on Decentralization of the Administrative Divisions of the Maldives, or any successor thereto.
4. “Anti-Corruption Guidelines” means 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.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “CER Component” means Component 5 of the Project, as described in Schedule 1 to this Agreement
7. “CER Operations Manual” means the immediate response mechanism operations manuals referred to in Section I.H.1 of Schedule 2 to this Agreement, acceptable to the Association, to be adopted by the Recipient for the implementation of the CER Component, in accordance with the provision of said Section.
8. “Component” means each of the individual components/parts 1 through 5 of the Project, clustering a thematic set of activities under the Project, as described in Schedule 1 to this Agreement.
9. “Coordinating Authority” means the entity or entities designated by the Recipient in the CER Operations Manual, and approved by the Association pursuant to Sections I.H.1(a)(i) and I.H.2 of Schedule 2 to this Agreement, to be responsible for coordinating their respective CER Component.
10. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of

shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impact on the livelihoods of such persons.

11. “Eligible Crisis or Emergency” 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.
12. “Emergency Expenditures” means any of the eligible expenditures set forth in the CER Operations Manual, in accordance with the provision of Section I.H.1(a)(ii) of Schedule 2 to this Agreement, and required for the activities described in such manual to be financed under the said CER Component.
13. “ESIA” means each of: (a) the environmental and social impact assessments prepared under the MEMP for the regional waste management center in Zone II, dated July 1, 2013 and disclosed by the Recipient and the Association on August 30, 2013; and (b) the environmental and social impact assessments prepared or to be prepared by the Recipient in accordance with the ESAMF & RPF and the provisions of Section I.G.2 of Schedule 2 to this Agreement, in a manner and substance satisfactory to the Association, setting forth, *inter alia*, details of potential social and environmental risks and foreseeable positive and/or adverse impacts associated with the implementation of Project activities, as well as the respective ESMP, as the same may be amended and/or supplemented from time to time with the prior written approval of the Association.
14. “ESAMF & RPF” means the Recipient’s environmental and social management framework & resettlement policy framework for the Project, and disclosed by the Association on February 1, 2017, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied in the preparation of the ESIA’s and ESMP’s, including compensation entitlements for Displaced Persons, and public consultation, disclosure and reporting regimes on social and environmental issue related to the Project; as such framework may be amended and/or supplemented from time to time with the prior written approval of the Association.
15. “ESMP” means, each of: (a) the environmental and social management program prepared under the MEMP for the regional waste management center in Zone II, dated July 1, 2013 and disclosed by the Recipient and the Association on August 30, 2013; and (b) the environmental and social management plans prepared, or to be prepared, by the Recipient in accordance with the ESAMF & RPF and the provisions of Section I.G.2 of Schedule 2 to this Agreement, in a manner and substance satisfactory to the Association, setting forth the details of measures to be undertaken to manage potential environmental and social risks and mitigate, reduce and/or offset adverse environmental and social impacts associated with the

implementation of Project activities, including the compensations to be paid and/or relocation assistance to be provided to Displaced Persons, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, their terms, as these plans may be amended and/or supplemented from time to time with the prior written approval of the Association.

16. "EPA" means the Recipient's Environmental Protection Agency, a legal regulatory entity, established under the aegis of MEE, pursuant to Presidential Decree of December 8, 2008, or any successor thereto.
17. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
18. "ICs" means the local councils established at Maldives' inhabited islands pursuant to Chapter 4 of the Act on Decentralization of the Administrative Divisions of the Maldives, or any successors thereto.
19. "ICs' Regulatory Framework" means the Act on Decentralization of the Administrative Divisions of the Maldives, and/or any ancillary and/or supplementary regulation thereof, in effect on of the date of this Agreement.
20. "Island Waste Management Plans" and the acronym "IWMPs" mean the waste management plans to be prepared by the ICs and with the inputs of their respective Atoll Councils, in accordance with the POM and approved by the EPA for purposes of implementation under Sub-Component 3.1 of the Project, pursuant to Section I.F of Schedule 2 to this Agreement.
21. "Incremental Operating Costs" means the reasonable incremental costs incurred by the Recipient on account of the management and supervision of Project activities, including among others, the 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) require for the Project; but excluding salaries and allowances of the Recipient's civil servants or other regular government staff.
22. "Maldives Environment Management Project" and the acronym "MEMP" mean the Recipient's project financed by the Association pursuant to Grant 4427-MV dated September 4, 2008.
23. "Maldives National University" means the Recipient's university established on February 15, 2011 pursuant to the Maldives National University Act (Act 3/2011), or any successor thereto.

24. “Ministry of Environment and Energy” and the acronym “MEE” mean the Recipient’s Ministry of Environment and Energy, or any successor thereto.
25. “National Solid Waste Management Policy” means the Recipient’s policy for solid waste management adopted by MEE pursuant to Letter No 1-ED/438/2015/42 from the President’s Office, of April 26, 2015.
26. “National Solid Waste Management Strategy” means the Recipient’s strategy framework for solid waste management papered to be prepared and adopted by MEE, pursuant to Sub-Component 1.1(a) of the Project.
27. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 17, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time, in agreement with the Association.
28. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, dated July 1, 2016.
29. “Project Board” means the high-level coordination committee/board to be established by the Recipient pursuant to Section I.A.1(a) of Schedule 2 to this Agreement.
30. “Project Operations Manual” and the acronym “POM” mean the Recipient’s manual for the Project, dated May 18, 2017, as the same may be revised from time to time with the prior written approval of the Association, containing the detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management and audits, including a financial management manual; (c) procurement, including the procurement strategy for development, and the procurement manual; (d) description of the Project activities and their estimated costs, (e) allocation of implementation responsibilities among MEE, WAMCO, ICs and the EPA; and (f) the protocols and procedures and readiness criteria for the design, preparation and selection of IWMPs for financing/implementation.
31. “Project Management Unit” and the acronym “PMU” mean the unit established within MEE pursuant to MEE’s Policy Decision PN/2017/2 dated July 19, 2017 , and referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
32. “Safeguard Documents” means, collectively, the ESAMF & RPF, the ESIA’s and the ESMPs.
33. “Selected Zones”, unless the context otherwise provides, means, collectively, Zones II, IV and V of the Maldives.

34. "Sub-Components" means, each of the sub-sections of a Component grouping a set of activities within said Component, as set forth in Schedule 1 to this Agreement.
35. "Training and Workshops" means the reasonable costs of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Recipient and/or overseas, and organized or attended by for the MEE, PMU, WAMCO and EPA staff in relation to the Project including: (a) the fees of training institutions and courses; (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.
36. "Vandhoo Island" means the Vandhoo Island in the Recipient's Raa Atoll, in Zone II.
37. "Vandhoo Island's Regional Waste Management Center" means the solid waste processing facilities built in Vandhoo Island under the Maldives Environment Management Project.
38. "WAMCO" means the Waste Management Corporation Limited, a limited liability company incorporated under the Recipient's Companies Act of 10/96 pursuant to Certificate of Incorporation No. C-48/2009 of January 22, 2009; having its registered offices at Ministry of Finance and Treasury, Ameenee Magu, Block 379, Malé, Republic of Maldives; and/or any successor thereto as agreed with the Association.
39. "WAMCO's Legal Framework" means the Memorandum and Articles of Association of WAMCO, dated December 15, 2008, as amended to the date of this Agreement.
40. "Waste Management Department" and the acronym "WMD" mean the Waste Management Department of MEE.
41. "Zone" mean each zones, numbered I though VII, demarcated in the National Solid Waste Management Policy.