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**GRANT NUMBER D766 -MV**

# **Financing Agreement**

**(Additional Financing for COVID-19 Emergency Income Support Project)**

**between**

**REPUBLIC OF MALDIVES**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**GRANT NUMBER D766 -MV**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF MALDIVES (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing to the Original Project (as defined in the Appendix to this Agreement).

**WHEREAS:**

- (A) under the Original Financing Agreement (as defined in the Appendix to this Agreement), the Association agreed to provide the Recipient with a credit and a grant in an amount equivalent to four million seven hundred thousand Special Drawing Rights (SDR4,700,000) each, to assist in financing the Original Project;
- (B) the Recipient has requested the Association to provide the additional financial assistance in support of activities related to the Original Project, by providing an additional grant in an amount equivalent to fifteen million two hundred thousand Special Drawing Rights (SDR15,200,000) (“Additional Financing”);
- (C) the Association has agreed, on the basis of, *inter alia*, of the foregoing, to extend such additional financial assistance to the Recipient upon the terms and conditions set forth in this Agreement; and
- (D) this Agreement sets out the terms and conditions related to the Additional Financing for the Project.

**NOW THEREFORE**, 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, the Original Financing Agreement or in the Appendix to this Agreement.

## **ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in an amount equivalent to fifteen million two hundred thousand Special Drawing Rights (SDR15,200,000) (“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 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 Payment Dates are May 15 and November 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, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

## **ARTICLE IV — 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 years after the Signature Date.

## **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient’s Representative is its Ministry of Finance.

- 5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

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

- (b) the Recipient's Electronic Address is:

Telex:	Facsimile:	E-mail:
+9603349390	+9603324432	<a href="mailto:dmd@finance.gov.mv">dmd@finance.gov.mv</a>

- 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

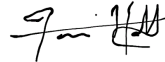
Name: Ibrahim Ameer

Title: Minister of Finance

Date: 17-Feb-2021

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



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Authorized Representative

Name: Faris H. Hadad-Zervos

Title: Country Director

Date: 16-Feb-2021

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to mitigate the economic impact of the COVID-19 crisis on workers and their families, and to increase the capacity of social protection programs to respond to future emergencies.

The Project comprises of the following activities under the Original Project as provided below:

**Part 1: Temporary assistance to workers affected by the COVID-19 pandemic**

Financing for a program of temporary income support for individuals who have lost a job since the onset of the COVID-19 pandemic or suffered a loss of income as a result of the pandemic, including provision of a COVID-19 Support Allowance.

**Part 2: Intentionally left blank**

**Part 3: Contingent Emergency Response Component**

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

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

The institutional and other arrangements described in Section I (A-E) of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section with the modifications set forth below, unless the context otherwise requires, and shall apply, *mutatis mutandis*, to the Financing, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

#### Section II. Project Monitoring, Reporting and Evaluation

1. 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.
2. Notwithstanding the provisions of paragraph 1 above, the Recipient shall:
  - (a) carry out jointly with the Association, by June 30, 2021 or such other date as may be agreed with the Association, a midterm review 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 environmental and social instruments; (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 two (2) months 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 mid-term review report referred in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.
- 3. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the Project, the Recipient shall ensure that such information, report or document does not include Personal Data.

**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:

<b>Category</b>	<b>Amount of Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) COVID-19 Support Allowances under Part 1 of the Project	15,200,000	100%
(2) Emergency Expenditures for the CER Component	0	100%
<b>TOTAL AMOUNT</b>	<b>15,200,00</b>	

**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 not to exceed six million eight thousand Special Drawing Rights (SDR 6,080,000) (*being the equivalent of 40% of the*



*Financing amount*) may be made for payments made prior to this date but on or after October 1, 2020 for Eligible Expenditures under Category 1;

- (b) under Category (2), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the conditions stipulated in the Original Financing Agreement for withdrawals under the CER Component have been met.

2. The Closing Date is June 30, 2022.

#### **Section IV                      Other Undertakings**

- A. The Recipient, through MoED, shall ensure that the collection, use and processing (including transfers to third parties) of any Personal Data collected under this Project shall be done in accordance with the best international practice, ensuring legitimate, appropriate, and proportionate treatment of such data.

## APPENDIX

### Section I. Definitions

1. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
2. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
3. “COVID-19 Support Allowance” or its plural “COVID-19 Support Allowances” means a payment made under the allowance program established by the Recipient pursuant to the President’s Office gazetted policy dated August 9, 2020 (Volume 49, Issue 156).
4. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1,2020).
5. “Original Financing Agreement” means the financing agreement entered into between the Recipient and the Association on June 13, 2020 (Credit No 6693-MV, Grant No D665-MV), as amended to the date of this Agreement through the amendment dated December 8, 2020.
6. “Original Project” means the project described in Schedule 1 to the Original Financing Agreement.
7. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
8. “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.

9. “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.