Financing Agreement

(Enhancing Employability and Resilience of Youth Project)

between

REPUBLIC OF MALDIVES

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

25 July 2019
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 seven million three hundred thousand Special Drawing Rights (SDR7,300,000) ("Grant"); and

(b) an amount equivalent to seven million three hundred thousand Special Drawing Rights (SDR 7,300,000) ("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 for the Credit is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge for the Credit is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
2.05. The Payment Dates are April 1 and October 1 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. To this end, the Recipient shall carry out the Project through its Ministry of Higher Education (MoHE) together with the Ministry of Economic Development (MoED), 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 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: +9603349390   Facsimile: +9603324432   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: E-mail:
248423 (MCI) 1-202-477-6391 dmd@finance.gov.mv

AGreed as of the Signature Date.

REPUBLIC OF MALDIVES

By

[Signature]

Authorized Representative

Name: Ibrahim Amer
Title: Minister of Finance
Date: 25 July 2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Idah Z. Pswarayi-Riddihough
Title: Country Director
Date: 25 July 2019
SCHEDULE 1

Project Description

The objective of the Project is to improve the relevance of technical and vocational skills and foster entrepreneurship to promote youth employment in priority sectors.

The Project consists of the following parts:

Part 1: Fostering Skills Development and Entrepreneurship in Priority Sectors

1.1 Labor-market assessment and analysis for demand driven skills identification Strategy Development, Strengthening and Diversifying Skills Development programs, through: (i) carrying out two (2) localized rapid labor-market surveys in the Priority Sectors which shall also identify gendered barriers towards employment and entrepreneurship; and (ii) carrying out localized rapid labor-market surveys of training providers to assess service delivery capacity.

1.2 Revision of Skills Development (TVET and Entrepreneurship) Curriculum through, (i) conducting a review of the existing skills development curriculum in TVET and entrepreneurship skills development areas to customize the curriculum as necessary upon the recommendations of Part 1.1 above, including addressing the recommendations to address women’s participation, (ii) preparing the training modules that include modules on TVET, entrepreneurship, soft skills, environment and climate change awareness modules; (iii) designing and convening workshops to train the BDS trainers.

1.3 Face-to-Face Skills Delivery through (i) provision of skills delivery through public and/or private providers of the pilot(s) for short-term skills development (not exceeding 12 months), and assessment of TVET and entrepreneurship training provided, awarding of Level 3 or Level 4 Certification from the MQA, as appropriate for the Priority Sectors to trainees, and (ii) provide non-financial incentives for employers for internships and on-the-job training, for the delivery of pilot interventions by the target candidates in the Priority Sectors.

1.4 Support for Entrepreneurship Development through (i) carrying out a survey to identify gender barriers preventing NEET women from undertaking employment and entrepreneurship and recommend socio-cultural sensitive actions; (ii) enabling the capacity development of BDS providers using a train-the-trainers’ (TTT) approach; (iii) conducting personal initiative training; (iv) supporting and operationalizing the Recipient’s incubation program for entrepreneurship through the establishment of a model incubation center within the premises of MoHE and/or MoED or such government-owned premises as necessary; and (v) sponsoring business plan pitch competitions to award Start-Up Fund Awards for proposals focusing on the Priority Sectors.
Part 2: Promoting entrepreneurship and employment through skills development and e-learning strategy

2.1 Strategy Development Strengthening and Diversifying skills development programs through providing technical assistance in the Priority Areas to (i) inform the preparation of the Skills Development Strategy; (ii) develop an economic and financial simulation model to generate cost efficiency and risk assessment; (iii) assess the skills competencies and attributes of the 16-35 year age group across learning domains; (iv) carry out civil works for rehabilitating facilities and laboratories to align with the curriculum at the identified Technical Training Institutes, and (v) convene workshops to build consensus among stakeholders, to finalize and enable the adoption of the Skills Development Strategy; and (vi) incorporate industry-/work-based training and skills development into academic and technical/vocational programs, and develop new and revised curricula to align with employer requirements with the assistance of private sector parties.

2.2 IT infrastructure for skills development and job platform through (i) purchasing and adapting an e-learning platform including a learning management system (LMS) and skills development content; (ii) strengthening the IT infrastructure for job matching and program support to operationalize and expand the scope of the web-based job search and job-matching platform to meet the requirements of the youth, including women, and the private sector.

2.3 Career hubs for education-industry links and entrepreneurship promotion through setting up of career hubs in each facility where training is provided, and providing information on career opportunities open to youth including entrepreneurship opportunities and having in place career hub facilitators for the same.

Part 3: Project Coordination, Monitoring & Evaluation

(a) Carrying out of the day-to-day coordination, financial management, procurement, environmental and social management, communication, and monitoring and evaluation of Project activities.

(b) Provision of technical assistance to support the activities under Part 1 and 2 and carry out relevant policy analyses including the evaluation of the pilot interventions.

Part 4: 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

1. The Recipient shall vest the overall responsibility for Project implementation in MoHE. MoHE and MoED shall be jointly responsible for the implementation of the technical details of the Project. 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 Steering Committee, and with membership (including, but not limited to MOF), functions and terms of reference satisfactory to the Association, as set forth in the Operations Manual. Without limitation on the foregoing, the said committee shall be co-chaired by the Minister from MoHE and the Minister from MoED or their respective designates, respectively: (i) support the PMU in providing inter-agency/inter-ministerial cooperation and coordination; (ii) ensure timely decision making and address any implementation delays; (iii) oversee the carrying out of Project activities; and (iv) endorsing the Annual Work Plans and Budget;

   (b) establish, by no later than one (1) month after the Effective Date, one (1) technical committee to focus on the implementation of Part 1 and Part 2 of the Project;

   (c) further to the provisions of the MoU to be entered into between MoHE and MoED, no later than one (1) month after the Effective Date, carry out the day-to-day management of Project activities through MoHE and, to this end, shall maintain at all times during the period of implementation of the Project, a PMU within the said ministry, with functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association. Without limitation on the foregoing, the said unit shall be headed by the Project Director within MoHE and supported by a Project coordinator, deputy Project coordinator based in MoED, an operations officer, a financial management specialist, a procurement specialist, and a monitoring and evaluation specialist, an environmental safeguards officer and a social safeguards officer, and shall be responsible for, *inter alia*: (i) preparing the Annual Work Plans and Budgets for endorsement by the steering committee; (ii) carrying out the overall coordination and supervision of the execution of the Project; (iii) overseeing and guiding the administration of all coordination, management, procurement,
financial management, and environmental and social safeguards management activities under the Project; (iv) carrying out the overall monitoring and evaluation of the Project; and (v) reporting to the said steering committee and liaising with the Association on any matters related to the progress of the Project and the use of the proceeds of the Financing;

(d) in furtherance of the provisions of paragraph (c) above, the Recipient shall, by not later than three (3) months from the Effective Date,

(i) acquire and install, a Comprehensive Record Keeping System and a Project Management Software for the Project, in a manner satisfactory to the Association; and

(ii) recruit an internal auditor to the PMU for the Project with suitable qualifications, experience and terms of reference satisfactory to the Association.

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 and Budgets

1. During the implementation of the Project, the PMU shall prepare and furnish to the Project Steering Committee for approval and thereafter to the Association no later than November 30 of each year for its no-objection, (or such later date as the Association may agree) for the Association’s approval, a consolidated annual work plan and budget containing all eligible Project activities and expenditures proposed to be included in the Project for the Recipient’s following fiscal year, including the activities and expenditures proposed to be financed from the Recipient’s counterpart funding contribution, and the environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Section I.D of this Schedule.

2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the Recipient’s
respective fiscal year (provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree in writing, shall not make any change to the Annual Work Plans and Budgets.

D. Safeguards

1. The Recipient shall:
   (a) carry out the Project, and/or ensure that the Project is carried out (including any activities carried out under the Start-up Fund Awards), in accordance with the ESMF, and/or ESMPs prepared, and/or to be prepared, pursuant to the ESMF and paragraph 2 of this sub-section (the ESMPs and the ESMF 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 voidance of any provision thereof, whether in whole or in part, without the prior written concurrence of the Association.

2. 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: (i) measures taken in furtherance of the said instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of thereof; and (iii) remedial measures taken or required to be taken to address such conditions.
   (c) The Recipient, shall ensure that, prior to (i) the selecting of any Business Plan or proposals for financing under the Start-Up Fund Grants; (ii) tendering for any bids for civil works, or (iii) requesting expression of interest for the provision of technical services under the Project: (a) an environmental and social screening/assessment shall have been carried out
of said proposed Business Plans, civil works, technical services, as the case may be pursuant to the provisions of the ESMF; and (b) the respective follow-up actions have been taken and/or additional instruments, if needed, have been produced, approved, and disclosed in local language(s) at the relevant Project sites, in accordance with the ESMF.

(d) The Recipient, shall ensure, and cause the Beneficiaries to ensure, that, each contract for civil works under the Project (including the Start-Up Fund Awards) include the obligation of the relevant contractor to comply with the relevant Safeguard Documents applicable to said civil works.

3. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Safeguard Policies.

4. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors to: (a) comply with the relevant aspects of Safeguard Documents; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.

5. The Recipient shall, and shall cause MoHE to, maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

6. 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.

E. Contingent Emergency Response Mechanism

1. In order to ensure proper implementation of the Part 4 of the Project ("CER Part"), the Recipient shall:
(a) prepare and furnish to the Association for its review and approval, an Emergency Operations Manual (the “EOM”) which shall set forth detailed implementation arrangements for the CER Part, 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 Part (the “Coordinating Authority”); (ii) specific activities which may be included in the CER Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CER Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguards instruments, including management frameworks, assessments and/or plans for the CER Part consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Part;

(b) afford the Association a reasonable opportunity to review said proposed EOM;

(c) promptly adopt the EOM for the CER Part as shall have been approved by the Association;

(d) ensure that the CER Part is carried out in accordance with the EOM, provided however that in the event of any inconsistency between any of the provisions of the EOM 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 EOM without the prior written approval by the Association.

2. The Recipient shall, throughout the period of implementation of the CER Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the CER Part (and no activities shall be included in the CER 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 Emergency has occurred and has furnished to the Association a request to include said activities in the CER Part in order to respond to said Eligible Crisis or Emergency,
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 EOM, 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.

F. Business Plan Pitch Competitions/ Start-up Fund Awards

1. For purposes of implementing Part 1.4 of the Project, the Recipient, through MoED shall finalize and adopt, not later than three (3) months after the Signature Date, a Grant Manual to support winners of the Business Plan pitch competitions, to ensure that the Start-Up Fund Awards are utilized for the intended purposes and satisfactory to the Association.

2. The Recipient, through MoED and MoHE, shall ensure that Start-Up Fund Awards are made exclusively to eligible Beneficiaries, in accordance with the eligibility criteria and procedures acceptable to the Association and further detailed in the Grant Manual.

3. The maximum amount of all Awards to a single Beneficiary shall not exceed the maximum amount specified in the Grant Manual for such purpose.

4. The Recipient, through MoED and MoHE, shall:
   (a) upon the approval of the Business Plan by MoED, enter into a Start-Up Fund Award Agreement with the respective Beneficiary under terms and conditions, set forth in the Grant Manual.
   (b) cause the release of funds by the PMU to the Beneficiaries in a timely manner.

5. The Recipient, through MoED and MoHE, shall ensure that the Start-Up Fund Award Agreement, shall contain terms adequate to protect the interests of the Recipient and the Association, including:
   (a) the requirement that all activities financed by a Start-Up Fund Award, be carried out in accordance with the Grant Manual, with due diligence and efficiency and in accordance with sound technical, financial, social, environmental and managerial standards, including 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”, and the Safeguard Documents, and that adequate records to reflect the financing, operations, resources and utilization of the funds be maintained;

(b) ensure that the Start-Up Fund Award Agreements contain a detailed list of the eligible expenditures that can be financed through the Start-Up Fund Award(s);

(c) require the Beneficiary to: (i) establish and/or maintain policies and procedures that would allow MoHE, MoED, the Recipient, and/or the Association to carry out supervision and monitor the implementation of the activities; (ii) prepare and furnish to MoHE, MoED, the Recipient, and/or the Association, all such information that MoHE, MoED, the Recipient, and/or the Association shall reasonably request in relation to the Start-Up Fund Grant; (iii) accept random and/or unannounced physical or documentary inspections by MoHE, MoED, the Recipient, and/or the Association for the monitoring of, and in relation to, the carrying out of the activities financed under the Start-Up Fund Award; and (iv) complete all activities undertaken pursuant to the Business Plan on or before the Closing Date.

(d) the right of the Recipient or MoHE/MoED to suspend or terminate the right of the Beneficiary to use the proceeds of the Start-Up Fund Award upon failure by the Beneficiary to perform any of its obligations under the Start-Up Award Agreement(s); and

(e) each Beneficiary shall consent to the Recipient or MoHE/MoED’s right of restitution of any amounts of the Start-Up Fund Award disbursed under the Start-Up Fund Award Agreement with respect to which fraud and corruption has occurred, or with which an ineligible expenditure has been paid.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than 45 days after the end of each calendar semester, covering the calendar semester.

2. Notwithstanding the provisions of paragraph 1 above, the Recipient shall:

(a) carry out jointly with the Association, (i) by not later than thirty (30) months after the Effective Date; or such other period 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 Safeguard Documents; (E) implementation arrangements; and (F) the need to make any adjustments to the Project to improve its performance including the testing and evaluation of the pilot interventions.

(b) review with the Association, by no later than thirty one (31) months after the Effective Date, or such later date as mutually agreed 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.

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: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services, Training and Workshops and Incremental Operating Costs for the Project</td>
<td>7,300,000</td>
<td>6,200,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
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 SDR 60,000 may be made for payments made prior to this date but on or after July 1, 2018, for Eligible Expenditures from the amount of Grant under Category (1); or

   (b) under Category (3), 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 Part 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 documents, 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.E.1 (vi) and I.E. 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.E 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.E.1 of this Schedule 2, so as to be appropriate for the inclusion and implementation of said activities under the respective CER Part.

2. The Closing Date is December 31, 2024.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1:</td>
<td></td>
</tr>
<tr>
<td>commencing October 1, 2029 to and including April 1, 2039</td>
<td>1%</td>
</tr>
<tr>
<td>commencing October 1, 2039 to and including April 1, 2059</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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. "Annual Work Plan and Budget" means each of the detailed annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.C of Schedule 2 to this Agreement.

2. "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.

3. "BDS" means business development services.

4. "Beneficiary" means a beneficiary selected to receive a Start-up Fund Award in accordance with the criteria and procedures acceptable to the Association and further detailed in the Grant Manual; and "Beneficiaries" means the plural of.

5. "Business Plan" means in the case of Start Up Fund Grants, a plan prepared by an eligible Beneficiary for the purpose of the Business Plan pitch competitions as specified in Section I.F of the Schedule to this Agreement, being in accordance with the procedures and formats prescribed in the Grant Manual.

6. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

7. "CER Part" means Part 4 of the Project, as described in Schedule 1 to this Agreement.

8. "Coordinating Authority" means the entity or entities designated by the Recipient in the EOM, and approved by the Association pursuant to Sections I.E.1(a)(i) and I.E.2 of Schedule 2 to this Agreement, to be responsible for coordinating their respective CER Part.

9. "EOM" means the emergency operations manual referred to in Section I.E.1 of Schedule 2 to this Agreement, acceptable to the Association, to be adopted by the Recipient for the implementation of the CER Part, in accordance with the provisions of said Section.

10. "ESMF" means the environmental and social management framework, prepared and adopted by the Recipient, satisfactory to the Association, dated March 11, 2019, disclosed in-country, and the Association’s website on March 12, 2019, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and
safety issues) of Project activities, including the risks of gender-based violence adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts including measures that endeavor to prevent and respond to gender-based violence, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects' risks and impacts, including measures that endeavor to prevent and respond to gender-based violence; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

11. “ESMP” means each of the environmental and social management plans prepared or to be prepared by the Recipient, in accordance with the ESMF satisfactory to the Association, which details (a) the measures to be taken during the implementation and operation of the Project to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse; (c) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association’s prior written agreement.

12. “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.

13. “Emergency Expenditures” means any of the eligible expenditures set forth in the EOM, in accordance with the provision of Section I.E.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 Part.


15. “Grant Manual” means the manual, satisfactory to the Association, to be adopted by MoED and MoHE, setting forth, inter alia, the terms and conditions for the selection of the Beneficiaries of the Start-Up Fund Awards, safeguard requirements and other necessary guidelines; as the same may be revised from time to time with the prior written approval of the Association.

16. “IT” means information technology.

17. “ICT” shall mean information communication and technology.
18. "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 allowances of the Recipient's civil servants or other regular government staff.

19. “MQA” means the Recipient’s Maldives Qualification Authority constituted under Presidential Decree dated August 14, 2000 to assure the quality of post-secondary qualifications awarded towards educational attainments.


22. “MoU” means the memorandum of understanding to be entered into between MoHE and MoED governing the shared implementation responsibilities under the Project, pursuant to the provisions of Section I.A1(c) of Schedule 2 to this Agreement.

23. “NEET” means not in employment, education, or training.

24. “Priority Sectors” means the following sectors identified for Project intervention, namely: (i) Tourism (ii) Tourism related Construction and (iii) ICT related services.

25. “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.

26. “Project Operations Manual” means the Recipient’s Project operations manual, dated May 12, 2019, as the same may be revised from time to time with the prior written approval of the Association, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement, including the procurement strategy for development; (d) environmental and social safeguards management; (e) monitoring and evaluation, reporting and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project including the allocation of implementation responsibilities at decentralized levels for the various parts of the Project.
27. "PMU" shall mean the project management unit established within MoHE referred to in Section I.A.1 of Schedule 2 to this Agreement.

28. "Safeguard Documents" means collectively, the ESMF and ESMPs, and "Safeguard Document" means any of such Safeguards Documents.

29. "Safeguard Policies" means, the Operational Policies (Ops) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at https://policies.worldbank.org.

30. "Start-Up Fund Award" means the grant awarded by MoED and MoHE to an eligible Beneficiary, out of the proceeds of the Financing, for the financing of the Beneficiary's Business Plans, pursuant to Part 1.4. of Schedule 1 to this Agreement and the selection criteria and procedures contemplated in the guidelines for Start Up Fund Grants set forth in the Grant Manual/Project Operations Manual.

31. "Start-Up Fund Award Agreement" means the legal agreement to be entered into between MoED/MoHE and a Beneficiary, pursuant to Section F.4 of the Schedule 2 to this Agreement, for purposes of providing financing for the implementation of Business Plans.

32. "Steering Committee" means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

33. "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.

34. "Skills Development Strategy" means the Recipient's 21st century skills development strategy to be prepared by MoED and MoHE under Part 2 of the Project.

35. "TVET" means technical, vocational education and training.

36. "Technical Training Institute" and the acronym "TTI" means each technical training institute set up under MoHE and "TTIs" shall refer to all such institutes.

37. "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, 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; but excluding
salaries and allowances of the Recipient’s civil servants or other regular government staff.