# Implementation Status & Results

## Maldives

**Maldives - Pension and Social Protection Administration (P104743)**

<table>
<thead>
<tr>
<th>Operation Name:</th>
<th>Maldives - Pension and Social Protection Administration (P104743)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Stage:</td>
<td>Implementation</td>
</tr>
<tr>
<td>Seq.No:</td>
<td>5</td>
</tr>
<tr>
<td>Status:</td>
<td>ARCHIVED</td>
</tr>
<tr>
<td>Archive Date:</td>
<td>27-Jun-2011</td>
</tr>
<tr>
<td>Country:</td>
<td>Maldives</td>
</tr>
<tr>
<td>Approval FY:</td>
<td>2009</td>
</tr>
<tr>
<td>Product Line:</td>
<td>IBRD/IDA</td>
</tr>
<tr>
<td>Region:</td>
<td>SOUTH ASIA</td>
</tr>
<tr>
<td>Lending Instrument:</td>
<td>Specific Investment Loan</td>
</tr>
</tbody>
</table>

## Key Dates

<table>
<thead>
<tr>
<th>Key Date</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval Date</td>
<td>12-May-2009</td>
</tr>
<tr>
<td>Original Closing Date</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Planned Mid Term Review Date</td>
<td>20-Feb-2013</td>
</tr>
<tr>
<td>Last Archived ISR Date</td>
<td>27-Jun-2011</td>
</tr>
<tr>
<td>Effectiveness Date</td>
<td>22-Oct-2009</td>
</tr>
<tr>
<td>Revised Closing Date</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td>Actual Mid Term Review Date</td>
<td></td>
</tr>
</tbody>
</table>

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To support the implementation of the National Pension Act, to strengthen institutional capacity of key agencies responsible for implementing the National Pension Act, and to develop the processes and platforms required for the delivery of social protection programs.

Has the Project Development Objective been changed since Board Approval of the Project?

- Yes
- No

## Component(s)

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Component Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA and Capacity Building for Implementation of New Pension Program</td>
<td>3.20</td>
</tr>
<tr>
<td>Public awareness campaign</td>
<td>0.60</td>
</tr>
<tr>
<td>Public Accounting System</td>
<td>2.00</td>
</tr>
<tr>
<td>Administration of Health Insurance, Disability and Targeted Assistance</td>
<td>2.00</td>
</tr>
<tr>
<td>Pay-out of pension liabilities</td>
<td>8.00</td>
</tr>
</tbody>
</table>

## Overall Ratings

<table>
<thead>
<tr>
<th>Overall Rating</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Implementation Status Overview

On Aug 7, 2011, a new Financing Agreement was signed providing additional financing (AF) to the project in the amount of US$12million and extending the closing date for 2.5 years.
through June 30, 2015. The Letter of Effectiveness was issued on Nov 3, 2011 following the evidence of the subsidiary agreement signed between the Government of Maldives (GoM) and MPAO (as a new implementing agency for the project).

Since the approval by the Board of the AF package, a number of important events and activities have taken place. In pensions, the new mandatory retirement scheme (MRS) continued to be smoothly rolled out to the private sector with the total number of the accounts reaching over 70,000; technical audit to assess systems and processes of the accrued rights calculations and the pension cash out procedures at the MPAO indicated no major exceptions; the work program in pension supervision and a set of TOR has been agreed with the pension supervisor (CMDA); over 15,000 beneficiaries are now receiving their monthly basic pension via bank accounts. In targeting, the work under the complementary Non Lending Technical Assistance has provided a solid ground for developing an operational manual, elaborating communications and outreach strategy, and designing MIS for a set of targeted interventions as required under the project. In disability, the TOR for a task of strengthening the disability determination and certification processes for the Disability Benefit Scheme has been developed. In health insurance, the Health Act has recently been promulgated formalizing new governance and administrative provisions for the health insurance scheme. Finally, the first disbursement under the disbursement-linked indicators component of the project related to payout of pension liabilities has been processed. Among the key pending issues are (i) continued delays in implementation under the Public Accounting System (PAS) component and frequent changes in leadership of the PAS team in the past several months, preventing from effective implementation, (ii) delays in implementation of some modules and full launch of the new MIS system of the Maldives Pension Administration Office (MPAO), and (iii) delays with defining specifications of the new MIS system for targeting, health and disability, due to the recent legal changes in the operational setup for the health insurance provisions.

Locations

No Location data has been entered

Results

<table>
<thead>
<tr>
<th>Project Development Objective Indicators</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of payroll data for civil service personnel used for assessing mandated contributions for the new pensions system.</td>
<td>Text</td>
<td>Value</td>
<td>None</td>
<td>25% of GoM agencies in Male use HR module of PAS</td>
<td>100% of GoM agencies in Male use HR module for PAS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>31-May-2009</td>
<td>15-Feb-2012</td>
<td>30-Jun-2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td>This exceeds projected 20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payout of accrued pension rights to public sector workers retiring during the project period</td>
<td>Text</td>
<td>Value</td>
<td>None</td>
<td>Payout of rights of all those retired between Jan-Sep/ 2011 completed</td>
<td>Payout of rights of all those retired between Oct 2013 - Mar 2014 completed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>31-May-2009</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development and implementation of management information systems and processes for targeting, disability administration abd health insurance</td>
<td>Text</td>
<td>Value</td>
<td>None</td>
<td>Strategy for implementation is under discussion</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>31-May-2009</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td>Directions on the health insurance component of the MIS have been decided by GOM. This will be the core module of the new MIS, to be followed by the modules of</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
disability and targeting (with the process currently under discussion; and short note on proposed framework for IT system development). Interim MIS for social assistance is in place.

<table>
<thead>
<tr>
<th>Increased public awareness about the new pension system</th>
<th>Text</th>
<th>Value</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>none</td>
<td>Completed awareness workshops in all the provinces.</td>
</tr>
<tr>
<td>Date</td>
<td>31-May-2009</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td>Comments</td>
<td>Information sessions on public awareness were conducted in provinces and 14 public presentations were conducted in Male'. Information was also disseminated through mass media; 5 TV live programs and 10 news conferences were held. Other forms of public awareness included printing and distribution of brochures, posters and training kits.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| New Systems under MPAO operational, including the establishment of new office of the MPAO, governance structures, MIS and provisions for outsourcing. | Text | Value | Comment |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |      | None  | New office and governance structure established. Full staffing meeting needs of public and private sector. MIS is pending completion. |
| Date                                                   | 31-May-2009 | 15-Feb-2012 | 30-Jun-2015 |
| Comments                                               | Currently there are 29 full time employees at MPAO Testing for the MIS is ongoing and is expected to be online by March/April 2012. |

**Intermediate Results Indicators**
<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of options and piloting of new approach to targeting of social benefits</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>Policy paper on targeting options prepared</td>
<td>Data collection for implementation of targeting system. New targeting system fully implemented. Awareness campaign launched</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td>Assessment of options for determination of disability and required systems</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>Proposal for disability coding</td>
<td>Preparations are underway to develop a proposal for disability coding and administration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
<td>15-Feb-2012</td>
<td>ongoing</td>
</tr>
<tr>
<td>Development and implementation of new process for annuitization in MRPS.</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>ongoing</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td>Effective supervision by the CMDA of the pension program administration and framework for new investment instruments</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>Program of work has been agreed with CMDA.</td>
<td>Framework for new investment instruments designed and implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>none</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
<tr>
<td>Reporting and compliance procedures defined and implemented, including regular monthly reporting of basic pension benefits paid and contributions collected</td>
<td></td>
<td>Text</td>
<td>Value</td>
<td>Progress and compliance reports designed and in use by MPAO management in making operational decisions.</td>
<td>Risk based contribution payment compliance procedures defined and implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
<td>15-Feb-2012</td>
<td>30-Jun-2015</td>
</tr>
</tbody>
</table>

Comments: 
- A consultant will be placed by June 2012 to work on policy paper and details of implementation process.
- Framework for new investment instruments designed and implemented.
Regular reporting of contributions and balances to members, including recognition bonds (RB)

<table>
<thead>
<tr>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-May-2009</td>
<td>The first round of statement was issued on Oct 6, 2011.</td>
</tr>
<tr>
<td>15-Feb-2012</td>
<td>On-line access to individual accounts fully implemented</td>
</tr>
<tr>
<td>30-Jun-2015</td>
<td></td>
</tr>
</tbody>
</table>

Progress in implementing a new basic pension scheme measured by the number of payments made and by strengthening the automatic clawback mechanisms

<table>
<thead>
<tr>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-May-2009</td>
<td>Around 16,000 beneficiaries are being paid</td>
</tr>
<tr>
<td>15-Feb-2012</td>
<td>Automatic linkages with other programs to improve administration of claw-back</td>
</tr>
<tr>
<td>30-Jun-2015</td>
<td></td>
</tr>
</tbody>
</table>

Progress in implementing a new contributory retirement program, measured by the number of accounts opened and maintained by the newpension authority

<table>
<thead>
<tr>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-May-2009</td>
<td>This by far exceeds projected 40,000 accounts</td>
</tr>
<tr>
<td>15-Feb-2012</td>
<td></td>
</tr>
<tr>
<td>30-Jun-2015</td>
<td></td>
</tr>
</tbody>
</table>

Key Policy Decisions in MRPS implementation made

<table>
<thead>
<tr>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-May-2009</td>
<td>Regulation on participation of the foreign workers approved by MPAO Board</td>
</tr>
<tr>
<td>15-Feb-2012</td>
<td>On-going</td>
</tr>
<tr>
<td>30-Jun-2015</td>
<td></td>
</tr>
</tbody>
</table>

### Data on Financial Performance (as of 23-Feb-2012)

#### Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Closing Date</th>
</tr>
</thead>
</table>

#### Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P104743</td>
<td>IDA-46110</td>
<td>Effective</td>
<td>XDR</td>
<td>2.60</td>
<td>2.60</td>
<td>0.00</td>
<td>1.69</td>
<td>0.91</td>
<td>65.00</td>
</tr>
<tr>
<td>P104743</td>
<td>IDA-H6940</td>
<td>Effective</td>
<td>XDR</td>
<td>7.60</td>
<td>7.60</td>
<td>0.00</td>
<td>1.12</td>
<td>6.48</td>
<td>15.00</td>
</tr>
</tbody>
</table>

### Disbursement Graph
Key Decisions Regarding Implementation
No decisions have been entered

Restructuring History
There has been no restructuring to date.

Related Projects
P125700-Maldives - Pension and Social Protection Additional Financing