Amendment n° 5 to
Administration Agreement

Between

The European Commission

And

The International Development Association ("IDA")

"Support to Climate Change Adaptation and Mitigation in the Maldives"
ADDENDUM N° 5 TO ADMINISTRATION AGREEMENT "SUPPORT TO CLIMATE CHANGE ADAPTATION AND MITIGATION IN THE MALDIVES" DCI-ASIE/2009/208162, DCI-ENV/2008/163259 MALDIVES CLIMATE CHANGE TRUST FUND NO TF071418

The European Union, represented by the European Commission, "the Commission" of the one part,

and

the International Development Association (IDA), "the Bank" of the other part,

have agreed as follows:

The following provisions of the Administration Agreement "Support to climate change adaptation and mitigation in the Maldives" DCI-ASIE/2009/208162 & DCI-ENV/2008/163259 concluded between the Commission and the Bank on 29 December 2009 (the "Agreement") are hereby replaced/completed as follows:

Section 2.03 is replaced as follows:

It is expected that an amount of the trust fund equal to the Contribution will be fully utilized in accordance with the provisions of this Agreement by December 31, 2018 ("End Disbursement Date). The End Disbursement Date can be only modified with the agreement of both Parties pursuant to Article 9 of the General Conditions.

Section 3.01 is replaced as follows:

The budget of the trust fund is estimated to be EUR ten million three hundred and fifty thousand (EUR 10 350 000) plus two million Australian Dollars (AUD 2 000 000).

Section 3.02 is replaced as follows:

The European Union undertakes to finance EUR ten million three hundred and fifty thousand (EUR 10 350 000) for the trust fund.

Section 3.03 is replaced as follows:

Indirect Costs under this Agreement shall not exceed 2% of the final amount of eligible Direct Costs of the Contribution.
IDA may, following deposit of the Contribution by the Commission, deduct from each Contribution of the Commission and retain for IDA’s own account an amount equal to 2% of the Contribution.

In addition, costs for Program management up to a maximum of three and thirty-five hundredth percent (3.35%) will be charged to the Trust Fund on actual basis and as a Direct Cost provided they comply with Section 14.01 of the General Conditions.

The final amount that IDA is entitled for Indirect Costs shall be adjusted to the actual disbursed amounts of the Contribution in accordance with Articles 14 and 17 of the General Conditions.

Section 4.01 is replaced as follows:

Payment will be made in accordance with Article 15 of the General Condition and in accordance with the following payment schedule:

- **Advance payment**
  - EUR 3 250 000
- **Intermediate payments**
  - EUR 2 275 000
  - EUR 975 000
  - EUR 1 925 000
  - EUR 1 347 500
  (subject to the provisions of the General Conditions)
- **Final payment**
  - EUR 577 500
  (subject to the provisions of the General Conditions)

The World Bank shall convert such funds into United States Dollars promptly following receipt of the funds, and receipt of all the appropriate legal documentation and the payment details information.

Section 4.03. is replaced as follows:

For the purposes of Section 2.03 of the General Conditions an updated work plan shall be provided with each report.

Annex I

Annex I is replaced and the revised version is attached to this addendum.
Annex III

Section 8.1 is replaced as follows:

It is expected that the Contribution funds will be fully disbursed by IDA in accordance with the provisions of this Agreement by December 31, 2018. IDA shall only disburse the Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors.

All other terms and conditions of the Agreement remain unchanged. This addendum shall enter into force on the date on which it is signed by the later of the two parties.

This addendum is drawn up in three originals, two for the contracting authority and one for the International Organisation.

For the European Union, represented by the Commission

Name: Mr David Daly
Position: Head of Delegation
Delegation of the European Union to Sri Lanka and the Maldives
Signature: [Signature]
Date: 22.12.2014

For the International Development Association

Name: Mrs. Francoise Clottes
Position: Country Director
Maldives and Sri Lanka South Asia Region
Signature: [Signature]
Date: 24/12/2014
ANNEX I of the Administration Agreement for Maldives Climate Change Trust Fund
(TF071418)

Description of Activities and Expenditures under the Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

I. Purposes and Objectives

1. Objective

The objectives of the Climate Change Program in the Maldives (the "Program") include: (a) support the development and implementation of climate change strategy and action plan for Maldives, which will aim at building a climate resilient economy and society in Maldives through adaptation to climate change as well as mitigation for a carbon neutral development path; (b) improve climate resilience of vulnerable communities in Addu City and Fuvahmulah Atoll to better adapt to climate change effects through improved wetland management and coral reef monitoring combined with the introduction of waste management and recycling techniques also serving energy efficiency, while using local development mechanisms and taking social inclusion into account; and (c) improve institutional and management capacities within the public and private sectors to better implement integrated intervention approaches for climate change adaptation and mitigation and to support the integration of climate resilience into national strategy plans and sectoral policies.

The Program consists of the following Parts:

2. Use of Contribution Funds

The Donors’ contributions allocated to the Trust Fund will be used for the following activities:

(a) Recipient-executed Activities (indicative implementation period December 2009 – March 2015)

Part A: Adaptation: Building a Climate Resilient Economy

Carrying out activities with the involvement of the Recipient's ministries and agencies, civil society organizations and the private sector to deal with the short and medium-term impacts of climate change through *inter alia*:

1. designing and implementing pilot activities, including awareness and training programs in the areas of sewage and solid waste management, coastal protection and biodiversity conservation, water and livelihood options and disaster management;

2. providing technical assistance to identify good practices, regulatory frameworks, climate-friendly technologies and public-private partnerships and other institutional structures in order to mainstream climate change into the national, sectoral and spatial development planning, and service delivery; and
Part B: Mitigation: Promoting Low Carbon Development

Carrying out activities to lower carbon development and reduce carbon emissions including _inter alia:_

1. strengthening capacities of the Maldives Government to develop a strategic proposal, a policy, and an implementation plan for low carbon development;
2. promoting a range of energy sector solutions including demand-side management for energy, energy efficiency, renewable energy (solar, wind and hybrid systems with diesel) technologies by identifying the enabling policy and regulatory environment and leveraging private-public partnerships;
3. promoting low carbon technologies in the waste management and water and sanitation sector by leveraging private-public partnerships; and
4. reducing the carbon footprint of the tourism sector through innovative financing schemes with private-public partnerships with local private resorts.

The categories of expenditures will include goods, works, consultant’s services, non-consulting services, training and workshops, including international and national study tours directly linked to the achievement of the objectives of the Program, technical assistance and incremental operating costs pursuant to a Grant Agreement to be entered between IDA and the Republic of Maldives. The forgoing expenditures may include the financing of taxes.

(b) Recipient-executed Indicative Activities (indicative implementation period January 2015 – December 2018)

1. Provide continued support for implementation of community based wetland management plans in Addu (Hithadhoo), and implementation in Fuvamulah;
2. Provide implementation support for ecotourism in Fuvamulah;
3. Study on feasibility of designating Addu and Fuvahmulah as biosphere reserves or as ‘Important Bird Areas (IBAs)’, areas recognized as being globally important habitat for the conservation of bird populations;
4. Provision of training and awareness programs for new resorts and select communities of Addu to produce and contribute data to the national coral reef monitoring work;
5. Continued support to enhance the national coral reef monitoring framework developed under CCTF during the December 2009 – March 2015 implementation period (eg. new protocols);
6. A strategic options study on SWM including best practicable environment option (BPEO) selection, assessment of collection and transportation systems, User Pays
Framework Model, institutional arrangement to operationalize the integrated solid waste management system, and, proposal for the next phase activities

7. Training of utility company and council staff on waste collection, segregation, user fee system and residual waste management, island waste management planning;

8. Community awareness raising to encourage community participation in island SWM;

9. Institution strengthening to develop capacity of national and sub national staff and professionals to manage operations at island level (e.g. project management, fiduciary management, establishment of innovative financial schemes, PPP initiation and user fee systems); and

10. Support a diploma level scholarship program to develop a cadre of young professionals in the area of climate change and environmental management.

(c) Bank-executed activities

Providing World Bank’s Program management supervision and administration, including aide memoires, progress and/or donor reports.

The categories of expenditures will include consultant fees, staff costs, travel expenses, media and workshops costs, equipment costs lease, extended term consultants, contractual services and associated overheads.

II. Indicative Results Indicators for Indicative Implementation Period of January 2015 – December 2018)

1. The indicative results indicators that are essential for purposes of monitoring, reporting and also guiding Bank staff in identifying areas for improvement during program implementation include the following:

(a) Climate resilience of vulnerable communities living in Addu City and Fuvahmulah Atolls is strengthened by the end of the implementation period including:

(i) improved benefits to communities of Hithadhoo and Fuvahmulah from wetland management and eco-tourism interventions and completion of baseline survey activities to designate Addu and Fuvamulah as a biosphere reserve;

(ii) coral reefs protected through training/awareness programmes to resorts in Addu and other areas; and

(ii) improved technical and regulatory capacity for Government of Maldives on strategic options and solutions for waste management, including WTE and exploring public private partnerships.

(b) Improved capacity and knowledge of the Government, Addu City Council, Fuvahmulah Atoll Council staff, utility companies, youth and other national stakeholders to manage the proposed interventions and to undertake environmental management and climate change related planning, development and monitoring.
2. The Commission and the Bank agree that the above mentioned indicative results indicators (as such may be reviewed, refined and updated from time to time) will be utilized by the Bank to assess the progress achieved by the Program and will be referred to in the reports prepared by the Bank pursuant to Article 2 of the General Conditions and Section 4.02 of the Agreement.

3. Furthermore, the Commission and the Bank agree that: (a) any indicators and results developed for the Program shall be indicative only in nature and subject to change for reasons beyond the Bank's control and responsibility such as, but not limited to, policy or managerial actions or decisions of third party recipients of financing under this Program; (b) such indicative results or indicators are to be used exclusively for monitoring purposes; and (c) progress against such indicative results or indicators does not constitute a ground for the Commission to: withhold any amount of its contribution; withhold any payment under the schedule set out in Section 4.01 of the Agreement; or request a refund of any amount of its contribution already disbursed to the Bank.

III. Governance Structure

1. The governance arrangements proposed for the Program consist of the following:

(a) a Climate Change Advisory Council (CCAC) to be established and maintained by Maldives (Recipient) throughout the implementation of the Program, which shall be (i) headed by an authorized representative of the Recipient; (ii) composed of representatives of the Recipient; and (iii) responsible for providing strategic guidance to the Program, ensuring that it is aligned with the Recipient's climate change priorities and the Strategic Action Plan (SAP) of the Government of Maldives, and referring and seeking approval of technically sound project proposals from the Economic and Social Councils (the apex planning committee of the Government of Maldives for all development programs) for submission to IDA for financing. At the invitation of the CCAC, representatives of Program donors will participate in CCAC meetings as observers;

(b) a Technical Committee to be established by the Recipient throughout the implementation of the Program, which shall be (i) composed of technical experts of the Recipient, private sector and leading civil society organizations; (ii) responsible for reviewing proposals for financing and recommending technically sound ones to the CCAC for submission to IDA for financing; and (iii) monitoring overall progress of Program implementation and assessing results of the Program on the ground; and

(c) IDA, as administrator of the Multi-donor Trust Fund, shall (i) act as observer in selected Technical Committee meetings; and (b) be responsible for, inter alia: appraising the proposals after receiving formal communication from the Government of Maldives through the CCAC to proceed with appraisal; conveying the appraisal results to the CCAC; reviewing and providing final management clearance to the project appraisal documents, ensuring that all projects follow Bank policies and procedures.

2. Notwithstanding the provisions of Section 8.01 of Annex II of this Agreement, an Implementation Review Steering Committee, co-chaired by a representative of the
Commission and a representative of the relevant World Bank Group entity and one representative each of other donors and composed of representatives of the Recipient's ministries and agencies responsible for implementing the Program, will meet semi-annually to review the progress of the implementation of the Program and provide guidance, as needed, on the implementation of the Program in accordance with the Supervision reports of the World Bank Group entity. Minutes of such meetings shall be circulated to all participants.