
GRANT NUMBER 0429-MLD (EF)

GRANT AGREEMENT
(Externally Financed)

(Preparing Outer Islands for Sustainable Energy Development Project
– Additional Cofinancing)

between

REPUBLIC OF THE MALDIVES

and

ASIAN DEVELOPMENT BANK

DATED 21 August 2015

MLD 46122

**GRANT AGREEMENT
(Externally Financed)**

GRANT AGREEMENT dated 21 August 2015 between REPUBLIC OF THE MALDIVES (“Recipient”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) by a grant agreement of 9 December 2014 between the Recipient and ADB (the “ADB Grant Agreement”), ADB has provided a grant to the Recipient an amount of thirty eight million Dollars (\$38,000,000), for the purposes of the Project described in Schedule 1 to the ADB Grant Agreement (“Project”);

(B) by a grant agreement of 9 December 2014 between the Recipient and ADB (the “Grant Agreement - EF”), the Strategic Climate Fund (“SCF”), provided through and administered by ADB, has provided grant to the Recipient an amount of twelve million United States Dollars (US\$12,000,000), for the purposes of the Project;

(C) the Recipient has applied to Japan Fund for Joint Crediting Mechanism (JFJCM) for a grant, to be administered by ADB, for the purpose of financing part of the Project; and

(D) ADB has agreed to make the proceeds of the grant from JFJCM available to the Recipient upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Externally Financed Grant Regulations of ADB, dated 8 April 2009 (“Grant Regulations”), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement (“JFJCM Grant Agreement”), the several terms defined in the Grant Regulations and the ADB Grant Agreement have the respective meanings therein set forth.

ARTICLE II

The Grant

Section 2.01. (a) ADB agrees to make available to the Recipient a grant from JFJCM in the amount of five million Dollars (\$5,000,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. (a) The Recipient shall make the proceeds of the Grant available to FENAKA upon terms and conditions satisfactory to ADB and shall cause FENAKA to apply such proceeds to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

(b) ADB shall be entitled to withdraw from the grant account ("JFJCM Grant Account") and pay to itself, on behalf of the Recipient, the amounts required to meet payments, when due, of such administration fees and other charges.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 1 to this JFJCM Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 3 to the ADB Grant Agreement.

Section 3.04. Withdrawals from the JFJCM Grant Account in respect of Goods, Works and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from and Works and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement, and

(b) Goods, Works and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 December 2019 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 4 to the ADB Grant Agreement.

Section 4.02. (a) The Recipient shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the JFJCM Grant proceeds and compliance with the financial covenants of this JFJCM Grant Agreement as well as on the use of the procedures for statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient pursuant to Section 4.02(a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Recipient unless the Recipient shall otherwise agree.

Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the JFJCM Grant, and any relevant records and documents.

ARTICLE V

Suspension

Section 5.01. The following is specified as additional event for suspension of the right of the Recipient to make withdrawals from the JFJCM Grant Account for the purposes of Section 8.01 (k) of the Grant Regulations: the Recipient shall have failed to perform any of its obligations under the ADB Grant Agreement and STELCO and Fenaka shall have failed to perform any of its obligations under the Project Agreement Agreement.

ARTICLE VI

Effectiveness

Section 6.01. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of MOFT is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance and Treasury
Ameenee Magu
Male
The Republic of Maldives

Facsimile Number:

(960) 3324-432.

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines


Facsimile Numbers:

(632) 636-2444
(632) 636-2338.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

REPUBLIC OF THE MALDIVES

By



ABOULLA JIHAD

Minister of Finance and Treasury

ASIAN DEVELOPMENT BANK

By



HUN KIM

Director General
South Asia Department

SCHEDULE 1

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the JFJCM Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Preparing Outer Islands for Sustainable Energy Development Project – Additional Cofinancing)			
Number	Item	Total Amount Allocated for JFJCM Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Renewable Energy Grid Package – for Advanced Energy Storage and Energy Management Systems in Addu city	3,720,000	100% percent of eligible expenditure claimed*
2	Consulting Services - Project implementation and monitoring consultants for JFJCM in Addu city	1,280,000	100% percent of total expenditure claimed*
	Total	5,000,000	

* Exclusive of taxes and duties imposed within the territory of the Recipient.