



### Project Summary Information

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<b>Project Name</b>	Strengthening Fiscal Management and Sustainability Program
<b>Project Number</b>	P000815
<b>AIIB member</b>	Maldives
<b>Sector/Subsector</b>	Others
<b>Alignment with AIIB's thematic priorities</b>	Green Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	The proposed Program aims to support Maldives' sustainable growth by strengthening fiscal management and focusing on green and climate change aspects.
<b>Project Description</b>	<p>The proposed Program (the Program) will provide results-based loan financing to support defined Government expenditure programs. It will be designed to enhance the sustainability of the policy actions under the Strengthening Fiscal Management and Sustainability Program (a policy-based grant) of the Asian Development Bank (ADB). Though the ADB policy-based grant and AIIB RBL Program will be processed separately and under the respective policies, they will be complementary and mutually reinforcing in terms of design and results, i.e., policy reforms and institution-building toward greening the economy.</p> <p>The expenditure framework and boundaries of the Program will be defined and further detailed at the appraisal stage. The proceeds of the AIIB results-based loan will be disbursed against achieved and verified Disbursement-Linked Indicators (DLIs). The proposed Program will consist of the following two results areas:</p> <ol style="list-style-type: none"> <li>1. Results area 1 (Green Taxation) - This results area will mainly support two government programs related to green taxation: (i) widening of the coverage of tourism green tax beyond typical tourist resorts and hotels to guesthouses and integrated resorts, and (ii) levy a tax on plastic bags as part of the commitment to phasing out single-use plastics by 2023. The tourism green tax will exclusively go to the government-established "Green Fund," which will finance climate-related and other green projects.</li> <li>2. Results area 2 (Climate Mitigation and Adaptation) - This results area will support government programs to reduce</li> </ol>

	greenhouse gas emissions: (i) opting for bulk procurement of medicines and medical consumables, which aims to reduce health care subsidies as well as the number of shipments to reduce emissions; and (ii) enactment of the Climate Emergency Act to achieve net zero emission by 2030, and the Energy Act to promote renewable energy and to reduce subsidized fossil fuel-generated electricity.
<b>Expected Results</b>	The expected results of the Program include (i) increased revenue generated through the widened coverage of green tax, (ii) reduction in the use of plastic bags, (iii) increased percentage of medicines procured by bulk procurement, and (iv) increased total capacity of renewable energy.
<b>Environmental and Social Category</b>	C
<b>Environmental and Social Information</b>	<p>This Program is a Results-based financing supplementing ADB's policy-based grant. The environmental and social risks and impacts have been assessed for compliance with AIIB's Environmental and Social Framework (ESF) provisions applicable to programs supported under its Results-based financing modalities. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs), apply alongside national environmental legislation to this Program.</p> <p>It has been categorized as Category C per AIIB's ESP as the components have minimal or no adverse environmental and social impacts. The AIIB Team, upon discussion with the Government of the Maldives and review of the applicable national E&amp;S Framework, will prepare an assessment of the national environmental and social systems applied by various Implementing Agencies for the expenditure programs covered by the Program. An extensive Stakeholder Engagement process is already in place, undertaken by designated national authorities as per national systems and in the context of the policy dialogue activities undertaken by ADB.</p> <p>AIIB's ESP does not require the preparation of any specific E&amp;S instruments for Category C projects.</p> <p>A Grievance Redressal will follow existing national systems, already set up by various Implementing Agencies for the underlying expenditure programs upon review of their functionality, to receive and facilitate the resolution of concerns of project-affected people (PAPs). In addition to that, AIIB's Project-affected people's mechanism (PPM) will apply to this Program.</p>

<b>Cost and Financing Plan</b>	<table border="1"> <tr> <th><b>For Loans/Credits/Others</b></th> <th><b>Amount (USD million)</b></th> </tr> <tr> <td>AIIB Loan</td> <td>15.0</td> </tr> <tr> <td>Government of Maldives</td> <td>-</td> </tr> <tr> <td>Total</td> <td>15.0</td> </tr> </table>			<b>For Loans/Credits/Others</b>	<b>Amount (USD million)</b>	AIIB Loan	15.0	Government of Maldives	-	Total	15.0
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	AIIB Loan	15.0									
	Government of Maldives	-									
	Total	15.0									
<b>Borrower/Investee Company/Counter party/Guaranteed entity</b>											
Republic of Maldives											
<b>Implementing Entity/Sponsor</b>											
Ministry of Finance, Maldives											
<b>Estimated date of loan closing (SBF)</b>											
March 2025											
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>									
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<b>Date of Concept Decision</b>	Q4FY23										
<b>Date of Appraisal Decision/Estimated Date of Appraisal Decision</b>	Q4FY23										
<b>Date of Financing Approval/Estimated Date of</b>	Q1FY24										

<b>Financing Approval</b>	
<b>Independent Accountability Mechanism</b>	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes. For information on how to make submissions to the PPM, please visit the link below to the PPM web page.</p> <p><a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a></p>