

**MALDIVES: PROGRESS OF IMPLEMENTATION OF
LOAN 2160-MLD(SF)/GRANT 0001-MLD: TSUNAMI EMERGENCY ASSISTANCE PROJECT**
(As of 30 June 2005)

I. PROJECT BACKGROUND

1. The loan for \$1.8 million equivalent from ADB's Special Funds resources and a grant for \$20.0 million from the Asian Tsunami Fund were approved on 31 March 2005. The financing agreement was signed on 21 April 2005 and declared effective on 23 May 2005. The Project will be implemented over two years and will be completed by 31 March 2007.

II. THE PROJECT

A. Project Scope and Components

2. The project scope comprises two components (i) a \$6.5 million quick-disbursing component, and (ii) a \$15.3 million project component. The quick-disbursing component covers financing of imports identified as necessary for an effective recovery program. The project component includes (i) water supply, sanitation and solid waste management, covering rehabilitation and reconstruction of sewage systems, provision of water, sewage treatment and disposal facilities for displaced populations, and provision of solid waste management system and facilities; (ii) transport, covering rehabilitation of damaged maritime navigation aids, strengthening of inter-island transport capacity, rehabilitation of damaged jetties, sea walls and quay walls, repair of causeways, dredging of harbor basins and approach channels, and rehabilitation of Male international airport, (iii) power, covering supply and installation of generators and improvements to the distribution network including cables and distribution boxes, panel boards, streetlights, powerhouses and connections to households; (iv) fisheries, covering processing equipment for fish processors, working capital and extension services; and (v) agriculture, covering tools, equipment, and working capital for affected farmers in perennial and field crop sectors.

B. Project Management Unit

3. The Government is preparing a modified organization chart of the central project management unit (PMU). The Project Director will be appointed in July 2005.

C. Extended Mission in Maldives

4. It is expected that the extended mission in Maldives (EMM) will be operational from early August 2005 with the fielding of the resident senior advisor to the Maldives.

D. Project Consultants

5. Most of the consultants have been engaged and fielded. The community development specialists for agriculture and fisheries components were mobilized in April 2005. The environmental engineer for the water supply and sanitation component, the transport specialist and environmental specialist for the transport component, and the agronomist for agriculture were fielded in June 2005. The power engineer will be fielded in July 2005.

III. DISBURSEMENT

6. Upon effectiveness, \$9.4 million was disbursed to three imprest accounts established by the Executing Agency (EA), (i) \$1.8 million from the loan for the quick-disbursing component; (ii) \$4.7 million from the grant for the quick-disbursing component; and (iii) \$2.9 million from the grant for the project component.

IV. PROGRESS

A. Progress of the Quick Disbursing Component

7. By the end of June 2005, the EA has submitted documentation on liquidation of the retroactive financing portion of the quick-disbursing component, amounting to \$1.95 million, 30% of the total amount under the quick-disbursing component.

B. Progress of the Project Component

8. Progress has been made in the following areas:

- (i) in water supply, sanitation and solid waste management, preliminary list of islands has been selected by the Maldives Water Supply and Sanitation Authority (MWSA);
- (ii) in transport, detailed design and tender documents for harbor subprojects have been prepared, an initial environmental examination (IEE) will be completed by mid-August 2005, bidding will be conducted by the end of October 2005, replacement for damaged equipment at Male International Airport have been identified and will be procured by the end of September 2005;
- (iii) in power, the Maldives Electricity Board (MEB) is conducting a survey and detailed design and preparation of bidding documents for 65 affected islands, selection of islands for ADB financing will be conducted in July 2005, and bidding will be carried out in August 2005;
- (iv) in agriculture and fisheries, a detailed needs assessment is underway and will have been completed by the end of July 2005, community-based organizations (CBO) have been identified in 26 islands, and will have been identified in another 42 islands by the end of July 2005, guidelines for CBO operation are under preparation, and inputs will be provided to farmers and fish processors starting August 2005.

C. ADB Reviews

9. ADB fielded an inception mission from 16 to 23 May 2005, followed by a disbursement mission from 14 to 16 June 2005. A project administration memorandum (PAM) was prepared and provided to the Government.

D. Summary of Progress

10. Project implementation is progressing slightly behind schedule because of the delay in establishing the central PMU and EMM. However, project implementation will accelerate once the PMU and EMM are established.