



MINISTRY
OF
ECONOMIC
DEVELOPMENT
REPUBLIC OF MALDIVES

ENVIRONMENTAL and SOCIAL MANAGEMENT FRAMEWORK (ESMF)

**Sustainable and Integrated Labor Services
(SAILS) Project (P177240)
Maldives
[February 2022]**

LIST OF ABBREVIATIONS

API	Application Programming Interface
ATM	Automatic Teller Machine
BML	Bank of Maldives
BRF	Benefit Request Form
CERC	Contingency Emergency Response Component
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
ERP	Economic Relief Program
ERP	Economic Relief Program
ESF	Environment and Social Framework
ESCP	Environment and Social Commitment Plan
ESRS	Environment and Social Review Summary
FM	Financial Management
FY	Financial Year
G2P	Government to Person Payment
GDP	Gross Domestic Product
GNI	Gross National Income
GoM	Government of Maldives
GRS	Grievance Redress Service
HDI	Human Development Index
IDA	International Development Association
IUFR	Interim Unaudited Financial Report
M&E	Monitoring & Evaluation
MMA	Maldives Monetary Authority
MoED	Ministry of Economic Development
MoF	Ministry of Finance
MoGFSS	Ministry of Gender, Family and Social Services
MOU	Memorandum of Understanding
MPAO	Maldives Pension Administration Office
MRPS	Maldives Retirement Pension Scheme
MVR	Maldivian Rufiyaa
NSPA	National Social Protection Agency
PAD	Project Appraisal Document
PDO	Project Development Objectives
PMU	Project Management Unit
PoS	Point of Sale
PSC	Project Steering Committee
SAP	Strategic Action Plan
SDFC	SME Development Financing Corporation
SDR	Special Drawing Rights
SEP	Stakeholder Engagement Plan
SLA	Service Level Agreement
SMS	Short Messaging Service
SP	Social Protection

SPIS	Social Protection Information System
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TOR	Terms of Reference
USD	United States Dollars
WB	World Bank
WBG	World Bank Group

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1.0 INTRODUCTION

1.1 Country Context

Maldives is an island nation in the Indian Ocean, north-south off India. It consists of 1,192 coral islands grouped in a double chain of 26 atolls. The country's atolls encompass a territory spread over roughly 90,000 sq. km, making it one of the world's most geographically dispersed countries. Over 200 of its 1,192 islands are habituated by the country's population, with an average of 5-10 islands in each atoll being inhabited islands with infrastructure such as housing, roads and other facilities built in. The islands consist of coral, sea grass, seaweed, mangrove and sand dune ecosystems which are of great ecological and socio-economic significance. As of 2017, Maldives has 436,330 inhabitants with approximately 373,330 Maldivians and 63,000 expatriate workers.

The Maldives is an upper middle-income country with gross domestic product (GDP) per capita of US\$10,331 in 2018. Maldives has very low rates of poverty compared to its regional, income, and small island peers. It has sustained an average annual GDP growth rate of more than 10 percent over the last four decades, eliminating extreme poverty and performing well on human development indicators. Maldives ranks 101st out of 189 countries in the Human Development Index (HDI) for 2017, the second-highest HDI rank in the South Asia region after Sri Lanka. However, Poverty rates and the level of inequalities seem to vary by region, with locals in southern atolls more likely to be affected by poverty. Further, the Maldivian economy remains dependent on a small number of sectors: tourism (20.2 percent), transport and communication (11.1), construction (9.3 percent), and trade (9.0 percent) (2018 figures).

The geographical isolation of the islands means a dispersed population across many small islands which significantly limits opportunities for job creation and economic diversification. With the tourism sector contributing directly to about one-fifth of total employment in the country in 2017, only 55 percent of the 34,500 jobs created were filled by Maldivian staff. The lack of participation in tourism jobs is particularly limited among Maldivian women, who account for only 7% of labor in the industry (World Bank, 2019). Further, while public sector jobs account for approximately 40% of total employment, public-private wage differentials and other benefits associated with public employment often disincentivize job seekers from taking up private sector employment (World Bank, 2020). Combined with various inclusion issues, this has resulted in relatively elevated levels of youth unemployment (15.3%) and low rates of women participation in the workforce (World Bank, 2020).

Maldives economy and the labor market has been significantly impacted as a result of the COVID-19 pandemic. Maldives real GDP grew by 5.3 percent in 2019, but is estimated to have contracted sharply in 2020 as a result of the COVID-19 pandemic. The pandemic impacted many workers, disproportionately the self-employed, freelancers and contractors. Women were disproportionately more impacted than men. The Ministry of Economic Development (MoED) under the Maldives COVID-19 Emergency Income Support Project (CEISP) responded rapidly with an emergency Income Support Allowance (ISA) program, which has so far benefited almost 23,000 workers. Vaccinations have also been conducted swiftly and the country was able to open its borders in late 2021. However, the pandemic has highlighted the risk of future climate and economic shocks to the welfare of Maldivians, especially lower-income workers who are predominantly informal. Hence widespread job and income losses that have occurred is expected to continue in Maldives as a result of the COVID-19 pandemic. The country have started the vaccination of booster doze for the public from 15th January 2022 as the 4th wave of covid positive cases are increasing at an alarming rate.

Given the circumstances, the government intends to start a new unemployment insurance (UI) scheme that will extend contributory social insurance to all Maldivian workers. The UBS would offer temporary financial support to workers with a contribution history who are laid off from their jobs, alongside retraining and labor market reinsertion initiatives. While the details are still being developed, it would likely be financed by (i) worker contributions, either deducted from salary payments or made voluntarily; (ii) employer contributions; and (iii) government subsidy, possibly through a matching contribution scheme. This broadening of social insurance coverage will serve a critical strategic role, helping the government to phase out energy and food subsidies and contain the fiscal burden of existing non-contributory pensions as the population ages. The UBS will be designed to mitigate the current incentive problems relating to the MRPS, and ideally form part of a reform package to close existing duplications and loopholes in the MRPS and OABP programs. It will also serve as a platform for developing active labor market programs (ALMPs), which are currently lacking in Maldives. This will help the government fill strategic gaps in the labor market, such as green and blue economy jobs, and replace migrant workers with locals.

The details of the UI scheme have been developed by an international expert with support from the World Bank through the CEISP. The review recommended that existing agencies – in particular, the MPAO, the nascent Job Center network, and a variety of technical and vocational education and training providers – could play a role in implementing the UBS, including for the provision of employment services.¹ Activities are already underway to expand the scope of ALMPs in Maldives. Under CEISP the MoED is piloting vocational training, apprenticeships, and small business start-up support, which will be offered to around 2,800 unemployed Maldivians on a pilot basis. This pilot will be evaluated rigorously, so that the initiatives being tested can be further refined and expanded under the project.

Therefore, under the SAILS project, the new program will have two parts: an unemployment insurance (UI) component that will provide unemployment benefits to qualifying job-seekers, and an employment services (ES) component that will provide counseling, job search assistance and targeted training and coaching to assist all participating job-seekers to find stable employment. Under the UI component, employers and employees (initially in the formal sector) will contribute jointly to individual and collective funds that will pay up to 6 months of unemployment benefits to participating members who become unemployed. The funds will be collected, managed and paid out by the MPAO under the same system used to deliver the MRPS.² Benefit claims will be made to the Job Center, which will process applications and made eligibility determinations, then issue payment instructions to the MPAO. The Job Center will also deliver the ES component of the program, including individual case management, job search assistance and referral to other service providers like trainers and counselors.

1.2 Project Development Objective

The Project Development Objective (PDO) is to enhance the resilience and employability of Maldivian workers by establishing a sustainably financed unemployment insurance scheme and integrated labor market services.

It is expected to mitigate the economic impact of the COVID-19 crisis on workers and their families, and to increase the capacity of social protection programs to respond to future emergencies.

The project will measure progress toward the PDO via the following proposed indicators:

- (a) Coverage of the unemployment insurance (UI) program (gender-disaggregated)

¹ Vodopivec, M. (2021), op. cit.

² The program will, however, be administered under separate regulations.

- (b) Employment rate of jobseekers participating in the employability services (ES) program (gender-disaggregated)
- (c) Number of partnerships established by Job Center with schemes promoting: (i) green jobs; (ii) local employment in the tourism sector; and (iii) female employment.
- (d) Beneficiary satisfaction with the UI program
- (e) Beneficiary satisfaction with the ES program

1.3 Details of Project Components

The project will support the establishment of the UI and ES programs from design to maturity, and is expected to have the following components:

Component 1. Employability Services program administration, case management and job search assistance (\$8 million). This component will be implemented by the MoED, and have the following subcomponents:

- (a) **Policy and Legal Framework (\$0.2 million).** This subcomponent will finance the consultancies and workshops required to develop the UI and ES programs in a consultative and inclusive manner, including drafting regulations, establishing program rules and eligibility criteria and liaising with other government and non-government entities to build service delivery linkages.
- (b) **Development and implementation of the ES program (\$5.8 million).** This subcomponent will finance the design, development and initial implementation of the new ES program. The ES program will provide career counseling, skills development, and job matching services through the Job Center portal to discouraged workers. Partnerships will be established between the Job Center and schemes in the country promoting employment in two strategic priority sectors – green jobs and the tourism sector – and schemes to increase female employment.
- (c) **Expansion of Job Center (\$1 million).** Under the GoM’s decentralization initiative, physical Job Center service centers will be established in 3-5 key strategic locations nationwide (other than the existing office in Malé). The expansion will also involve placing 30-50 dedicated case managers in island council offices, who will serve as a personal contact for beneficiaries of the UI and ES programs at the atoll level. A minimum of 30% of these positions will be filled by women. The case workers will also be trained and empowered to support the delivery of other social programs, including the welfare benefits implemented by NSPA and the Ministry of Gender, Family and Social Services (MoGFSS). For ‘hard-to-place jobseekers’ the program will accommodate and pay for demand led external employability enhancing interventions (such as soft or technical skills development, self-employment support, and entrepreneurship training).
- (d) **Digital systems for program administration (\$1 million).** This subcomponent will finance the required process reengineering and software development to turn the existing Job Center online platform into a fully functional beneficiary registration and case management portal, including interlinkages to service providers (e.g. counselors, training providers) and employers.

Component 2: Establishment of the UI Program Fund (\$14 million). This component will be implemented by the MPAO. The UI program fund will have two parts: a ‘solidarity fund’ and individual savings accounts for each beneficiary. The solidarity fund will finance top-ups to the monthly benefit for beneficiaries whose individual savings account balances are insufficient to cover the minimum UI benefit in the event of an unemployment spell. The MPAO will establish the fund under the new program’s legislation, with financing from the project as follows:

- (a) **Seed financing of UI fund (\$13 million).** The project will capitalize the solidarity fund to ensure sufficient financing is available to pay benefits during the initial years of the new program, including in the event of major unanticipated shocks, including climate shocks, which cause widespread job loss. This fund would finance an extension of unemployment benefits up to 12 months (versus 6 months normally) following a major macroeconomic or climate shock.
- (b) **Internal systems and processes for fund administration (\$0.3 million).** The project will pay for systems engineering and software development consultants to adapt the MPAO’s internal systems and processes to perform its mandated functions under the UI program.
- (c) **Financial management, compliance and audit (\$0.7 million).** The project will finance consultancies for the MPAO to fulfil the legal and operational requirements of establishing the fund.

Component 3: Technical assistance for project implementation (\$2 million). This component will be implemented by the MoED and finance the incremental operating costs, stakeholder engagement and communications, monitoring and evaluation activities.

- (a) **Operating costs and capacity building (\$1 million).** This subcomponent will finance the costs of consultants and other incremental costs associated with managing the project.
- (b) **Monitoring and evaluation (\$0.6 million).** Eligible expenditures for this subcomponent will include data collection and analysis, as well as beneficiary feedback surveys and capacity building for the institutional entities. Through a collaboration with the Maldives Bureau of Statistics, a labor market study will be conducted with special focus on the potential and constraints to increasing female labor force participation.
- (c) **Stakeholder engagement and outreach (\$0.4 million).** This will finance consultancies for program development, branding and awareness campaigns, including outreach via workers’ associations and island-level community groups. A full-time communications consultant will be hired for the project.

Component 4: Contingent Emergency Response Component (CERC) (US\$0 million). In the event of an eligible crisis or emergency, the project will contribute to providing immediate and effective response to this crisis or emergency. The allocation to this component is to minimize time spent on a reallocation of funds from programmed activities.



Figure 1. Potential role of JobCenter platform linking jobseekers to employers and training

1.4 Objective of the Environmental and Social Management Framework (ESMF)

Projects and Programs financed with World Bank's resources need to comply with the Environmental and Social Framework (ESF) for Investment Project Financing. Therefore, components and related activities under this project will be required to satisfy the World Bank's ESF in addition to conformity with environmental and social legislation of the GOM and the also the WHO's Environment Health and Safety Guidelines to respond to COVID issues.

This Environmental and Social Management Framework (ESMF) is prepared to assist the Government of Maldives in developing environmental and social (E&S) instruments in response to COVID-19 pandemic, following national regulations and the World Bank's Environmental and Social Framework (ESF). The ESMP consists of Stakeholder Engagement Plan (SEP), Labor Management Procedure (LMP) and Environmental and Social Commitment Plan (ESCP). The type of E&S instruments and their timings of development and implementation are defined in the project Environmental and Social Commitment Plan (ESCP). These instruments will be made available for public review and comment in appropriate locations in the Maldives and in World Bank's external website in accordance with World Bank's policy of Access to Information.

The proposed project does not involve any sub-projects and hence does not require site-specific screening or preparation of environment and social instruments during implementation. However, the ESMF is prepared in order to provide overall guidance to the borrower on the ESF requirements, mitigation measures, and procedures to comply with during the planning, implementation and monitoring of the project, especially if there is activation of CERC during the project period. If in case the CERC is activated, the ESMF will be updated as soon as the scope of the contingency component is defined.

In this context, the objectives of this ESMF are:

1. To establish clear procedures and methodologies for environmental and social planning for the overall project.
2. To carry out a preliminary assessment of environmental and social impacts from project investments and propose generic mitigation measures.
3. To specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to the project.
4. To determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMF.
5. To provide practical resources for implementing the ESMF, including if CERC is activated.

2.0 POLICY, LEGAL AND REGULATORY FRAMEWORK

This Chapter presents a review of the policy, legal and administrative framework of the Government of Maldives to establish procedures regarding environmental and social screening, document requirements and content for social and environmental assessments, review and approval procedures and requirements for consultation and social disclosure.

It is designed to be consistent with the Maldivian regulations and relevant World Bank standards. If there are differences between the Maldivian regulations and relevant World Bank requirements, the stricter of the two must be followed. In the case of inconsistencies, the MLSP should consult with the World Bank for a resolution. The ESMF provides for initial risk assessment and classification based on the available documentation and data. The environment risks has been categorized as low and social risks are rated as 'Moderate' by the World Bank.

2.1 National Laws and Regulations

In terms of management of social and environmental risks and impacts, there are several laws and policies in the Maldives that have been enacted to govern and regulate such issues. In the case of environmental impacts, the Ministry of Environment holds the mandate for protection and preservation of environment in the Maldives, and the Environmental Protection Agency (EPA) established under the Ministry is responsible for implementation and enforcement of all laws and regulations relevant for environment protection. However, given the nature of the project, no environmental impacts are foreseen under the project. On the contrary, social risks and impacts are assessed to be significant under the project. However, there is no single ministry responsible overall for social wellbeing. Laws and regulations relating to social issues are by several different agencies and ministries. Some of the key ones relevant to the project include:

Environmental, Energy and Social Legislation, Regulatory and Institutional Framework in The Republic of Maldives

Environmental Policies and Legislation

The Ministry of Environment holds the mandate for protection and preservation of environment. The Environmental Protection Agency (EPA) established under Minister of Environment, is responsible for implementation and enforcement of all laws and regulations relevant for environment protection.

All development projects and programs are required to comply with the national environmental legislation, that are relating to protected areas, EIA for all civil works, compensation for loss of land and the cutting down of trees. The key aspects of the policies, legislations and regulations are described in the following sections.

The Environment Protection and Preservation Act (4/93)

The basic environment law, Law No.4/93 Environment Protection and Preservation Act (EPPA) was enacted in April 1993 as an umbrella law to protect and preserve the environment of the country. The main elements of the EPPA are as follows:

Introduction: The natural environment and its resources are a national heritage that needs to be protected and preserved for the benefit of future generations. The protection and preservation of the country's land and water resources, flora and fauna as well as the beaches, reefs and lagoons and all-natural habitats are important for the sustainable development of the country.

Environmental Guidance: The concerned government authority shall provide the necessary guidelines and advise on environmental protection in accordance with the prevailing conditions and needs of the country. All concerned parties shall take due considerations of the guidelines provided by the government authorities.

Environmental Protection and Conservation: The Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] shall be responsible for formulating policies, as well as rules and regulations regarding the environment in areas that do not already have a designated government authority already carrying out such functions.

Protected Areas and Natural Reserves: The Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] shall be responsible for identifying protected areas and natural reserves and for drawing up the necessary rules and regulations for their protection and preservation. Anyone wishing to establish any such area as mentioned in (a) of this clause, as a protected area or a reserve shall register as such at the ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] and abide by the rules and regulations laid by the Ministry.

Environmental Impact Assessment (EIA): An impact assessment study shall be submitted to the Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] before implementing any development project that may have a potential impact on the environment. The Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] shall formulate the guidelines for EIA and shall determine the projects that need such assessment as mentioned in paragraph (a) of this clause.

The Termination of Projects:

Ministry of Environment, Climate Change and Technology has the authority to terminate any project that has any undesirable impact on the environment. A project so terminated shall not receive any compensation.

Waste Disposal, Oil and Poisonous Substances: Any type of waste, oil, poisonous gases or any substance that may have harmful effect on the environment shall not be disposed within the territory of the Maldives. In case where the disposal of the substance stated in paragraph (a) of this clause becomes absolutely necessary, they shall be disposed only within the areas designated for the purpose by the government. If such waste is to be incinerated, appropriate precautions shall be taken to avoid any harm to the health of the population.

Hazardous/ Toxic or Nuclear Wastes: Hazardous/Toxic or Nuclear Wastes that is harmful to human health and the environment shall not be disposed anywhere within the territory of the country. Permission shall be obtained from the relevant government authority at least 3 months in advance for any trans-boundary movement of such wastes through the territory of the Maldives.

The Penalty for Breaking the Law and Damaging the Environment: The penalty for minor offenses in breach of this law or any regulations made under this law shall be a fine ranging between MVR 5.00 (five Rufiyaa) and MVR 500.00 (five hundred Rufiyaa) depending on the actual gravity of the offence. The fine shall be levied by the Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy] or by any other government authority designated by the ministry. Except for those offenses that are stated in (a) of this clause, all major offenses, under this law shall carry a fine of not more than Rf 100,000,000.00 (one hundred million Rufiyaa) depending on the seriousness of the offense. The fine shall be levied by the Ministry of Environment, Energy and Water [now the Ministry of Environment and Energy].

Compensation: The Government of Maldives reserves the right to claim compensation for all the damages that are caused by the activities that are detrimental to the environment. This include all the activities that area mentioned in clause 7 of this law as well as those activities that take place outside the projects that are identified here as environmentally damaging.³

The Regulation on Environmental Liabilities (Regulation No. 2011/R-9)

The objective of this regulation is to prevent actions violating the Environmental Protection and Preservation Act 4/93 and to ensure compensations for all the damages that are caused by activities that are detrimental to the environment. According to this regulation the Government of Maldives reserves the right to claim compensation for all the activities which have breached the Environmental Protection and Preservation Act 4/93. The regulation sets mechanisms and standards for different types of environmental liabilities and equal standards that shall be followed by the implementing agency while implementing the regulation.

The Employment Act (see below) – this act has relevance for worker occupational health and safety and has been covered in the section below.

Local Governance and Accountability

Decentralization Act, 2010 has provisioned for Island Councils with the responsibility of providing democratic and accountable governance; foster the social and economic well-being and development of the community; and establish safe, healthy and ecologically diverse environment. The Act gives island councils specific powers and responsibility for, amongst other things:

- Administering and developing the island in accordance with the Constitution and statutes and providing municipal services as prescribed in this Act;
- Preparing island development plans in consultation with the community, and submitting the plan to the Atoll Council;
- Implementing development projects planned and assigned by the government in line with the island development plans formulated by islands and submitted to the Atoll Councils;
- Assisting Government Ministries and Atoll Councils in monitoring the progress of various development projects;
- Formulate island level policies necessary to discharge the powers and responsibilities conferred to the island council by this Act and formulate and implement required regulations for the purpose.

Gender and Vulnerability

Promoting and protecting the rights of vulnerable groups have been among the most important policy agenda for GoM in recent years.

- The **2008 Constitution** bans discrimination on grounds of sex except as prescribed by the Islamic Sharia laws. The Maldives is also signatory to several international instruments addressing gender equality including the Convention on the Elimination of All Forms of Discrimination (CEDAW), 1993, CEDAW Optional Protocol in 2006 (with reservations on Articles 7 (a) and 16), Commonwealth Action Plans on Gender Equality.

³ **Definitions:** Under this Law: (a) The “environment” means all the living and non-living things that surround and effects the lives of human beings; and (b) A “project” is any activity that is carried out with the purpose of achieving a certain social or economic objective.

- The **Domestic Violence Prevention Act, the Prevention of Sexual Harassment and Abuse Act, and Sexual Offences Act** have strengthened the legal framework to protect women, children, and migrants from violence and sexual abuse.
- The **Gender Equality Act** seeks to ensure to eliminate discrimination between genders and establishes the role of government and other agencies in the implementation of the Act.
- The **Child Rights Protection Act (19/2019)**, upholds the core values of acting in the best interests of the child, right of life, child participation and non-discrimination; and prohibits marrying any child below the age of 18 and prohibits child labour. It identifies vulnerable groups of children and provides frameworks to ensure their protection while criminalizing certain acts such as grooming and failure to report incidents of harm to a child.
- Vulnerable groups are also protected via the **Social Protection Act (2/2014)**, which is aimed at reducing the socioeconomic inequalities, ensuring equal access to resources and protecting and aiding the most vulnerable to access basic necessities. Under this Act, the State provides financial assistance to several socioeconomically disadvantaged groups such as single parents, foster parents, food subsidy for those living below the national poverty line, and persons with disabilities.
- **The Disability Act, 2010**, enhanced the protection and rights afforded to persons with disabilities. Now, persons with disabilities have access to financial assistance provided by the government amounting to MVR 2000 per month, there are regulations on minimum standards and identification of persons with disabilities, and room for affirmative action including access to gainful employment. It was constituted to promote inclusivity and access to a regular life, protect the rights and safety of, direct government policies in relation to and ensure equal opportunities without any form of discrimination for persons with disabilities. The Act came into effect on 8th July 2010. The Act allowed the legal formation of a Disability Council to direct policies and govern various aspects of protection and empowerment of persons with disabilities.
- Further, the development of the **National Mental Health Policy 2015-2025** marks a milestone in mental health awareness and treatment in the Maldives. The objectives of this policy include creating a robust governance structure for mental health with adequate financing for implementation of strategies, developing a comprehensive, responsive, quality network of community-based mental health services which are integrated to the general health services, preventing mental disorders and promoting mental health across the life course in collaboration with other relevant stakeholder sectors, and promoting advocacy for better mental health and human rights of people with mental disorders at all levels of society and enshrine this in legislation, policies and plans.
- Another key vulnerable group in the Maldives is the foreign worker community. The rights of migrant workers are set out in several national laws and international commitments, including the **Immigration Act, Regulation on Employment of foreign workers in the Maldives, and the Work Visa Regulation**.

Human Rights

- The President's **Human Rights Policy** is guided by the belief, that human rights are not just about international instruments or pieces of law. The **Human Rights Commission Act (Act No. 6/2006)** paved the way for the establishment of the Human Rights Commission as an independent legal entity mandated to protect, promote and sustain human rights in the Maldives, and to assist NGOs. The aim of the Commission is to lead the promotion and protection of Human Rights under the Maldives Constitution, Islamic Sharia's and regional and international Human Rights Conventions ratified by the Maldives. Although the Human Rights Commission currently focuses mainly on the public sector, the Commission also works with the private sector, specifically in creating awareness on human rights issues.

- In addition to the Human Rights Commission Act, there are several regulations and policies in place to enhance and promote human rights in the country. The Chapter 2 of the 2008 **Maldivian Constitution** outlines the various fundamental rights and freedoms available to the citizens of the Maldives including, but not limited to, freedom from restraint, right to life, economic and social rights, right to vote and run for public office, freedom of expression, freedom of acquiring and imparting knowledge, right to work and right to education.
- Furthermore, the Maldives has several commitments to **international agreements on human rights** such as the Convention on the Elimination of all forms of Racial Discrimination, Convention on the Rights of the Child, Convention on the Elimination of all forms of Discrimination Against Women, Convention Against Torture, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, and the Convention on the Rights of Persons with Disabilities.

Stakeholder Engagement and Information Disclosure

- The **Right to Information Act (Act No. 1/2014)** was enacted on 12th January 2014, which ensures access to information as fundamental human right for every citizen. The Act outlines the nature of rights available to citizens in accessing information and works to promote government accountability and transparency. Under Article 4, everyone who requests for information is entitled to the access of such information in accordance with the law. Article 07 of the law specifies the procedures for requesting for and disclosure of information from and by State institutes. Information must be disclosed within 21 days of request. However, as per Article 22, the state is not required to disclose information which, if disclosed would amount to an offense under law, or information if disclosed could cause legal action against the government for breach of confidence or which could prevent the government from receiving similar information in the future.
- As per Article 68 of the **Decentralization Act**, for any development project undertaken in an island, consultation needs to be undertaken with the council and other relevant authorities established in the island. As per article 107-1 of the act the council should hold meetings with the public regarding any important development activities undertaken in the island. The same article also specifies that the time and location of the public meeting should be announced 05 days prior to the meeting. As per article 56-6 of the act a Women’s Development Committee should be established.

Labor and Occupational Health and Safety

- The labor laws applicable to the project, including the **Employment Act**, has been described in Labor Management Procedure prepared under the project. Besides these provisions, the Project will ensure the application of OHS measures as outlined in **WHO guidelines** such as the procedures for protection of workers in relation to infection control precautions; provision of immediate and ongoing training on the procedures to all categories of workers. Additionally, the Project will post signage in all public spaces mandating hand hygiene and personal protective equipment (PPE); ensuring adequate supplies of PPE (particularly facemask, gowns, gloves, handwashing soap and sanitizer); and overall ensuring adequate OHS protections in accordance with the measures prescribed by GoM, and the latest guidance by WHO as it develops over time and experience addressing COVID-19 globally.

2.2 The World Bank’s Environmental and Social Standards (ESSs)

The Environmental and Social Standards (ESSs) set the requirements to be met by Borrowers with respect to the identification and evaluation of social and environmental risks and impacts associated with projects supported by the Bank through Financing Investment Projects. These 10 standards include:

- ESS1 Assessment and Risk Management and Socio-environmental Impacts;

- ESS2 Labor and Working Conditions
- ESS3 Resource Efficiency and Pollution Prevention and Management.
- ESS4 Community Health and Safety;
- ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
- ESS8 Cultural Heritage.
- ESS9 Financial Intermediaries; and
- ESS10 Stakeholder Engagement and Disclosure of Information.

In addition to the above, the World Bank Group General Environment, Health and Safety Guidelines also apply to the project.

However, for the purposes of the project, the ESS applicable for this project are:

- ESS1 Assessment and Risk Management and Socio-environmental Impacts.
- ESS2 Labor and Working Conditions
- ESS3 Resource Efficiency and Pollution Prevention and Management (if IT equipment is procured)
- ESS4 Community Health and Safety
- ESS10 Stakeholder Engagement and Disclosure of Information.

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

ESS1 sets out the Borrower's responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs). The ESSs are designed to help Borrowers manage the risks and impacts of a project, and improve their environmental and social performance, through a risk and outcomes-based approach. The environmental and social assessment will be proportionate to the risks and impacts of the project. It will inform the design of the project and be used to identify mitigation measures and actions and to improve decision making. Borrowers will manage environmental and social risks and impacts of the project throughout the project lifecycle in a systematic manner, proportionate to the nature and scale of the project and the potential risks and impacts. The specific objectives of this ESS are:

- To identify, evaluate and manage the environment and social risks and impacts of the project in a manner consistent with the ESSs.
- To adopt a mitigation hierarchy approach to:
 - Anticipate and avoid risks and impacts;
 - Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;
 - Once risks and impacts have been minimized or reduced, mitigate; and
 - Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.
- To adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project.
- To utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects, whenever appropriate.

- To promote improved environmental and social performance, in ways which recognize and enhance Borrower capacity.

ESS1 applies to all projects supported by the Bank through Investment Project Financing.

ESS2 – Labor and Working Conditions

ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker- management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. The Borrower will develop and implement written labor management procedures (LMP) applicable to the project. The LMP will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS.

ESS3– Resource Efficiency and Pollution Prevention and Management

This ESS sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life-cycle consistent with GIIP. The applicability of this ESS will be established if IT equipment is procured and the use and disposal of IT equipment at end of life will lead to the generation of E-waste.

ESS 4 – Community Health and Safety

This ESS recognises the importance of ensuring community health and safety during the delivery of the project and inform project delivery methods to incorporate necessary Health and Safety measures. At the Island level, the staff of island councils, MoED and other agencies, including members of community organizations, would be interacting with communities to inform them about the programme and support them to prepare the applications. These interactions would increase the risk of exposure to the virus for these workers and also pose a similar risk for the communities, especially the vulnerable groups.

The LMP developed for the project will set out the minimum required in order to protect workers and communities from the threat of spreading the corona virus. In addition, the project will ensure that it will comply with WHO standards in averting community spread of the disease and any national circulars/guidelines.

ESS10 – Stakeholder Engagement and Information Disclosure

This ESS recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. A stakeholder engagement plan is prepared to meet the requirements of this standard.

2.3 World Bank’s EHS Guidelines

The World Bank Group’s Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry specific examples of Good International Industry Practice (GIIP). The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs. Application of the EHS Guidelines to existing facilities may involve the establishment of site-specific targets, with an appropriate timetable for achieving

them. The applicability of specific technical recommendations is based on the professional opinion of qualified and experienced persons.

2.4 WHO Guidelines

To help countries navigate through these challenges, the World Health Organization (WHO) has updated operational planning guidelines in balancing the demands of responding directly to COVID-19 while maintaining essential health service delivery and mitigating the risk of system collapse. This includes a set of targeted immediate actions that countries should consider at national, regional, and local level to reorganize and maintain access to high-quality essential health services for all. The WHO is maintaining a website specific to the COVID-19 pandemic with up-to-date country and technical guidance. As the situation remains fluid it is critical that those managing both the national response as well as specific health care facilities and programs keep abreast of guidance provided by the WHO and other international best practice.

3.0 ENVIRONMENT AND SOCIAL BASELINE RELEVANT TO THE PROJECT

3.1 Environmental Profile

Maldives is an island nation in the Indian Ocean oriented north-south off India. The Maldives consists of 1,192 coral islands grouped in a double chain of 26 atolls. The country's atolls encompass a territory spread over roughly 90,000 km², making it one of the world's most geographically dispersed countries. Over 200 of its 1,192 islands are habituated by the country's population, with an average of 5-10 islands in each atoll being inhabited islands that have infrastructure such as housing, roads and other facilities built in. The country's total land area is estimated to approximately 300 Km², with islands varying in size from 0.5 km² to 5.0 km². A significant number of uninhabited islands in each atoll have also been converted to resorts and tourism facilities as well as house infrastructure such as industrial facilities and airports.

The atolls are composed of live coral reefs and sand bars, situated atop a submerged ridge 960 km long that rises abruptly from the depths of the Indian Ocean. Maldives is noted as the country placed at the lowest elevation in the world, with maximum and average natural ground levels of only 2.4 m and 1.5 m above sea level, respectively. More than 80 per cent of the country's land is composed of coral islands which rise less than one meter above sea level. The islands consist of coral, sea grass, seaweed, mangrove and sand dune ecosystems which are of great ecological and socio-economic significance. Maldives is home to a number ecologically sensitive marine habitats in shallow and intertidal zones which have been designated as protected areas by the Ministry of Environment and Energy (MEE) and access and any activities in their vicinity are stringently monitored and managed.

Climate: Climatic conditions in the Maldives belong to the tropical-monsoon category with temperatures ranging between 24°C and 33°C throughout the year. Two seasons dominate Maldives' weather: the dry season associated with the winter northeastern monsoon and the rainy season which brings strong winds and storms. The temperature of Maldives varies little throughout the year with a mean daily maximum temperature of about 32°C and mean low of 26°C.

Ecology: Despite the poor and infertile soils, and lack of different habitats, the Maldives has a relatively diverse vegetation cover. The plant communities in the islands grow as per the physiographic morphology of the Islands. According to the Fifth National Report to the United Nations Convention on Biological Diversity, the flora of the country consists of 583 vascular plants of which 323 (55%) are cultivated plant species, while 260 are native and naturalized plants. Of the 260 native or naturalized plant species, fewer than 100 are truly indigenous. There are at least 75 islands with wetland or mangroves in the Maldives. The wetland or mangrove areas cover a total area of approximately 8.01 km². In the Maldives, marine biological diversity shows an outstanding richness, especially in the coral reefs. Indeed, the marine biodiversity of the archipelago is among the richest in the entire region, and the Maldives' has been recognized as having one of the world's most diverse marine ecosystems.

3.2 Social Profile – Demographic factors

Population

Maldives is one of the world's most geographically dispersed countries and poses wide range of development constraints. The current population of the Maldives according to the Census 2014 is 341,256.

During the census period 2000-2006, the population growth rate was 1.8 per annum while in the 2006-2014 period the population growth rate has declined to 1.56 per annum.

Population Distribution

Gender ratio of the Maldives in 2014 is 103 males per 100 females. The ratio remained the same since 2000. According to the 2014 Census, more than 129,381 people who accounted for 38% of the population live in the capital Male', in a land area of 193 hectares. From 2006 to 2014, the resident population in Male', excluding expatriates increased by 27.3%. There are only three islands that have a population greater than 5,000 namely, Hithadhoo (Seenu Atoll) with 9,894 Fuvahmulah (Gnaviyani Atoll) with 8,055, and Kulhudhufushi (Thiladhunmathi) with 8,011 persons.

The population of the Capital of Maldives; Male', has increased rapidly over the past decades. Male' remained as the country's fastest growing and most populated island. The development of tourism within Male' Atoll, rapidly expanding government and private sector, and establishment of major health and educational facilities in Male', have created significant disparities between Male' and the Atolls. In addition, developments in Male' attracts migration from all parts of the country. It passed the threshold of 100,000 population in 2006, making it one of the most densely populated cities in the world. Today, with the resident population, this rate stands as 65,201 per km² (population density of Male' exclude Hulhumale' and Villinmale').

Age Structure

The general shape of the pyramid has slightly changed in 2014, the increasing fertility rate has led to a broad base. The age and sex composition of the Maldives in 2014 continued to resemble that a developing country with a broad base, a relatively large proportion of people in the adult age categories (below 30 years of age), and relatively small proportion of people in the older age categories (above 60 years). Even though adult groups still comprised a relatively large proportion of the population, the base of the pyramid took on a more rectangular look in 2014. The increased proportion of the population in older age groups results from the decline in mortality rate at older ages in the recent decades.

3.3 Socio-Economic Conditions

Structure of the Economy

The Maldivian economy observed rapid expansion over the years, experiencing an average economic growth of 6.9% in 2018 (Asian Development Bank, 2019). The gross domestic product (GDP) per capita rose from just \$200 in 1978 to \$11,890 in 2018. The breakdown of the contributions to the GDP by sector in 2018 was as follows. The largest percentage was contributed by the tourism sector (19.9%), followed by transport (11.6%), government administration (11%), communication (11%), construction (8.9%), real estate (8%), wholesale and retail trade (4%), manufacturing (4%), education (4%), and several other relatively small sectors (World Bank, 2019). Average inflation also fell from 2.8% to only -0.1% in 2018 (Asian Development Bank, 2019). Given the limited number of available resources, the Maldives is heavily dependent on the tourism sector, which is seen as both a strength and a challenge. The rapid economic growth and improved standard of living over the last several decades are largely a result of the quick expansion of the tourism industry. However, this also means that the Maldivian economy remains highly vulnerable to fluctuations in global social and economic conditions.

Despite enjoying rapid economic growth over the years, real GDP growth decelerated to an estimated 5.2% in 2019, mostly owing to the slowdown in construction and retail trade (World Bank, 2020). The COVID-19 outbreak has had a major impact on visitor arrivals, with a 14% decline in 2020 compared to the arrivals figure in February 2019, and a 95% drop in visitors from the People's Republic of China (PRC). This, in

turn, is expected to severely affect the tourism sector, which directly and indirectly accounts for almost two-thirds of the GDP (Asian Development Bank, 2020). Revenues plummeted by approximately 23.4% in the first quarter of 2020 alone, whereas spending grew by 10.2%. Central government debt increased from 58.5% of GDP in 2018 to an estimated 61.8% in 2019. Economic growth is expected to further plunge in 2020 but bounce back strongly in 2021 as the tourism sector begins to recover (World Bank, 2020).

Income Levels, Poverty and Inequality

While there have been substantial developments in health, education, infrastructure and wellbeing over the years in the Maldives, not everyone has benefited equally. Large disparities in welfare and socioeconomic outcomes across regions are of concern. HIES 2016 results shows that in Maldives, average monthly household income is MVR 26,395 per household with approximately 8.2% of the total population living below the poverty line (National Bureau of Statistics, 2016). Poverty rates and the level of inequalities seem to vary by region, with locals in southern atolls more likely to be affected by poverty. In 2016, the poverty ratio for the atolls was 12.8% in comparison to 1.7% in Malé. As of 2019, it is estimated that over 10,000 children are still living in poverty across the Maldives (UNICEF, 2020). Huge income gaps are also evident between the capital city Malé and the atolls. In the outer atolls, youth and children in particular, lack access to quality essential services which are often heavily concentrated around Malé city.

The drop-in tourism revenues due to the COVID-19 outbreak is expected to further affect employment and household earnings, especially in the outer regions where a large percentage of the population are employed in tourism related jobs. Furthermore, lower income households that depend on fisheries and agriculture are also adversely affected as exports tumble due to weak demand. In turn, the national poverty rate is likely to increase as households close to the poverty line are at risk of falling into poverty as a result of income loss. A larger impact is expected in the atolls, as there is greater dependence on fisheries and the poverty rate was already higher (World Bank, 2020).

Labor Markets

The geographical vulnerability of the small island nation not only poses a threat to the communities, but to the economy as well. The geographical isolation of the islands means a dispersed population across many small islands which significantly limits opportunities for job creation and economic diversification. Combined with various inclusion issues, this has resulted in relatively elevated levels of youth unemployment (15.3%) and low rates of women participation in the workforce (World Bank, 2020).

Several aspects of the country's recent development pattern pinpoint towards the imbalance between labor demand and supply. Public sector jobs are primarily in the civil service. However, as living standards continue to increase, the labor market has become more challenging for Maldivians in general. The rapid growth in low skilled jobs in the tourism and construction sector is not in line with the increasing educational attainment and expectations amongst the younger generations of workers, leading to a mismatch in skills supply and demand.

This has further highlighted the various challenges faced by the labor market. There is a need for greater inclusion and productive employment for youth, especially for those from the most vulnerable segments of the population or those who simply cannot rely on public sector jobs, whether it is due to the competitive nature of such jobs, or the lack of access to these jobs. This is particularly true for individuals who live away from the capital city Male', where such jobs are concentrated in. Additionally, the increasing reliance on foreign labor in key sectors such as tourism and construction, and the limited opportunities for women in these sectors are identified as major hurdles for the economic prosperity of the Maldives. According to the National Bureau of Statistics, the grand total of expatriates employed in Maldives was 114,981 (104,753

male and 10,228 female) in 2018 of which the majority were registered in the construction sector with 37.6% (43,264) expatriate employees, followed by the tourism sector with 21.2% (24,420) employees of which 15.2% were women (National Bureau of Statistics, 2019b).

With the tourism sector contributing directly to about one-fifth of total employment in the country in 2017, only 55 percent of the 34,500 jobs created were filled by Maldivian staff. The lack of participation in tourism jobs is particularly limited among Maldivian women, who account for only 7% of labor in the industry (World Bank, 2019).

Further, while public sector jobs account for approximately 40% of total employment, public-private wage differentials and other benefits associated with public employment often disincentivize job seekers from taking up private sector employment (World Bank, 2020). As a result, many Maldivian youths are discouraged workers who have effectively exited the labor force and are best characterized as not in employment, education, or training (NEETs). About 22% of working-age Maldivian youths fall into this category (World Bank, 2019).

Migrants and Foreign Expatriate Workers

Out of the 126,080 usual residents of Male', 43 percent are registered in Male', while the majority (55%) are registered in other islands. Among the population residing in Male' who are registered in other islands, highest number of people are those registered in Addu (S) at 7 percent. This is followed by those registered in South Huvadhu Atoll (GDh) at 5% and North Thiladhunmathi (HA), South Thiladhunmathi (HDh), North Huvadhu Atoll (GA), Kolhumadulu (Th) and North Maalhosmadulu (R) each at 4 percent.

Besides the internal migrants, expatriate workers represent roughly 25% of the Maldivian population and 80% of the workforce (Gossman, 2020). In 2017, the IOM report estimated 63,000 undocumented workers working in primarily tourism, construction, health and education sectors. In 2019, the Government of the Maldives initiated a regularization program aimed at providing a pathway for acquiring documentation and inclusion of these workers in the system. By early 2020, at the time of COVID-19 crisis, around 30,000 workers have registered and enrolled themselves in the program. However, excessive recruitment fees, inaccurate information and misconceptions about working and living conditions, lack of pre-departure employment information, unlawful subcontracting of workers, unsafe working conditions, ineffective monitoring of recruitment and employment practices and weak sanctions for labor law violations put migrant workers at extreme risk (IOM, 2018). Further, in the current context of COVID-19, several migrants engage in miscellaneous tasks like cleaning, cooking, etc., from house to house, which they are unable to do so during this lockdown period. These migrants have absolutely no means of gaining an income and the governments' proposed severance packages do not include this large group that makes up the Maldivian population.

Gender

Maldives has made significant progress on gender equity and equality in recent years. This has been reflected in the country's development indicators, such as high literacy rates for both men and women, and gender parity in enrolment and attainment in primary and secondary education. The literacy rates among the populated aged 15 years and older in 2016 were 98.11% for females and 97.3% for males. Gross enrolment ratio in primary education was just as promising, with a 98.09% GER for females and 96.2% GER for males in 2017 (UNESCO, 2020). The Maldives is committed to the principle of gender equality through numerous national and international commitments. Maldives also ratified the Convention on the Elimination of all forms of Discrimination Against Women in 1993, and has since made major strides in achieving the MDGs and the SDGs (UNDP, 2011). Nevertheless, the country still has a significant way to

go in achieving gender equality and women's empowerment, particularly in the areas of participation and leadership in public life.

The female labor force participation (LFP) rate is relatively low, at 45.6 percent. In comparison, the male LFP rate is 77.1 percent.⁴ About 50 percent of young women are not in education, employment or training (NEET), often due to household chores and childcare responsibilities that limit their employment options. The share of women in the 15-24 age group who are NEET is 24.4 per cent, versus 20.6 per cent for men.⁵ The gender pay gap also disincentivizes women from working. Average monthly earnings in 2019 were MVR 12,169 for men, compared to MVR 7,995 for women. After controlling for observable factors, the gender pay gap was 49 percent in the private sector and 24.4 percent in the public sector. Finally, women face gender norms that prevent them from working in certain industries, or in jobs requiring travel away from the family and onsite accommodation (which is common in the tourism sector). Women workers are more likely to be in informal employment, and informal employment rates are higher for older and less educated workers. Informality is a concern not only because of precarity of employment and income, but also because informal workers tend to earn less. A recent study found that the formal sector wage premium was 34.9 percent in the private sector and 15.4 percent in the public sector.⁶

According to the 2016/2017 Maldives Gender and Health Survey report, approximately 1 in 5 women aged 15-49 (17%), reported experiencing physical violence while more than 1 in 10 women (11%) has experienced sexual abuse. It was also reported that approximately 1 in 4 ever-partnered women aged 15-49 (24%) had experienced physical, sexual, or emotional violence from their current or most recent husband/partner. Out of this, only 41% of women sought help from relevant authorities, indicating that most of the gender-based violence cases go unreported even though the country has established avenues to report such incidents. The survey also showed that sexual violence is most often committed by former husbands or partners (27%) or by a close relative (25%). Spousal abuse shows a tendency to decline as wealth quintile increases, suggesting that there is a weak correlation between wealth and violence.

The Country has one of the highest divorce rates in the world. According to the UN, the Maldives has 10.97 per 1000 inhabitants per year. Divorce is widely accepted in Maldivian society.

3.4 Sectoral Context

Maldives has a well-developed but narrowly targeted social protection system. It comprises social assistance (cash and food transfers to the poor and vulnerable), social insurance (health insurance and pensions) and social empowerment programs (such as training and job placement). The *Aasandha* program provides free public healthcare, covering the cost of treatment in public and many private facilities, as well as the cost of most prescription medications. This is supplemented by the *Medical Welfare* program, which covers residual health costs for the poorest. The pension system is also well developed, with a national defined-contribution pension scheme run by the Maldives Pension Administration Office (MPO), and a social pension that tops up the incomes of those over 70 years of age to a minimum of MVR 5,000 (about US\$330) per month. Social assistance programs are provided by the National Social Protection Agency (NSPA) and targeted to a few vulnerable groups: people with disabilities, single and foster parents, and the elderly. There are also various subsidies, for food, electricity, fuel and housing, that help defray the costs of living. However, the country has no broad-based means tested cash safety net for the poor outside these categories, and no unemployment insurance program.

⁴ Maldives Bureau of Statistics (2019), *Household Income and Expenditure Survey Employment Data Tables*. <http://statisticsmaldives.gov.mv/nsdp/>

⁵ <http://statisticsmaldives.gov.mv/nbs/wp-content/uploads/2020/08/IYD-2020.pdf>

⁶ Vodopivec, M. (2021), op. cit.

Despite the limited scope of its programs, NSPA has strong capacity and well-developed delivery systems relative to other countries in the region. NSPA operates a modern customer service centre in Male to receive applications and handle matters relating to beneficiaries. Given a limited administrative budget and staff, NSPA has been limited to date in its capacity to conduct monitoring and outreach visits beyond Male. It compensates for this by drawing on support from island council offices to receive applications and update beneficiary information. NSPA maintains a robust beneficiary registry system called the Social Protection Information System (SPIS), that securely collects and maintains data provided by applicants, determines eligibility, and records subsequent beneficiary transactions. NSPA also accesses other government information systems, such as the courts registry, to cross-check the validity of claims made on applications. NSPA benefits are paid electronically to beneficiary bank accounts at the Bank of Maldives, and funds can be accessed through branches, ATMs and point-of-sale devices available in shops on most islands. In areas where electronic access to funds is not available, a mobile ATM visits islands to enable beneficiaries to withdraw funds. With recent refinements to the payment system, payments are made monthly with no reported delays.

A new Job Center has recently been set up to improve matching between employers and jobseekers. Run by the Ministry of Economic Development (MoED), the Job Center (<https://jobcenter.mv>) publishes job advertisements and general information about participating employers. The online platform enables registered job seekers to be notified through SMS and e-mail whenever a new job offering appropriate to their skills and experience is posted. Since the start of the crisis, the MoED has used the Job Center to register terminated and furloughed workers, and receive complaints about contract violations and unfair dismissal, which are investigated by the Labor Relations Authority (an independent body that enforces the Employment Act in Maldives).

The government has announced measures to encourage businesses to retain employees and help those affected by the pandemic. The MoED and Ministry of Finance (MoF) have launched an Economic Relief Program (ERP) for businesses. Businesses with annual revenue above MVR 10 million are expected to apply for relief packages through the Bank of Maldives, while those with revenues below MVR 10 million will be eligible for relief packages through the SME Development Financing Corporation (SDFC). Relief will only be provided on the condition that firms do not dismiss any of their workers prior to or during the period of support. The MoED plays a key role in verifying applications for the ERP, using its data on employment contracts, in consultation with other actors such as the MPAO, to ensure that firms do not violate the conditions on retaining workers.

While it is expected that the ERP will reduce the pressure on firms to lay off workers, it is expected that up to 20,000 workers may temporarily lose income or be laid off. Some employers are unable to continue to pay wages and have either reduced or stopped wage payments even for those under a continuing contract. There are also reports of casual workers being laid off, while the self-employed are likely to see a significant drop in their revenues. Accordingly, the GoM introduced a temporary *COVID-19 Support Allowance* for employees and the self-employed whose income has been affected by the crisis. The program was offered to all Maldivian adults of working age (18-64), who were employed until March 15, 2020, and whose income was below MVR 5,000 (or US\$330) per month. The allowance will be provided as a top-up to any income received, to a level of MVR 5,000 per month. The program is initially authorized until June 2020 but was extended till the end of December 2020.

3.5 COVID-19 Situation

Almost two years into the Pandemic, the Maldives has currently recorded over 86,000 thousand cases, with a mortality rate of 0.27%. A total of 355 thousand individuals has been vaccinated, representing 66% of the population fully vaccinated.

As part of the response to the COVID-19 pandemic, the Income Support Program was fully wrapped up at the start of 2021. In total, over 22,900 individuals have been provided income support over the program impact duration from April-2020 to December-2020. With improved sentiment as a result of high vaccination rates, improving global outlook and opening of international markets, it is expected that the economy of Maldives will energize and continue momentum through 2021 and in to 2022. Initial studies by the Ministry of Economic Development⁷ has indicated that employment impact is reverting gradually. However, given the existing unemployment and skill gaps existing prior to the COVID-19 crisis, the pandemic crisis and impact has further exacerbated the situation of the already vulnerable workers, especially the self-employed.

The proposed additional project activities do not foresee in adding any additional risks or impacts to the COVID pandemic, especially since most of the country's resident population is vaccinated and most restrictions are being lifted as the vaccine status progresses. Despite the high rate of vaccination, social distancing and safe measures are still in place and will continue to do so into the foreseeable future.

Since 66% of the population is fully vaccinated, there are limited risks of COVID-19 contagion to Project workers, especially while carrying out tasks requiring interactions with other workers and community members. Nevertheless, during the project preparation, potential risks and impacts have been identified and accordingly relevant mitigations measures have been planned which are explicitly described in the ESMF (Section 4), SEP & LMP.

3.6 Performance of ESF Implementation under the COVID-19 Emergency Income Support Project (CEISP):

The SAILS project will be implemented by the Ministry of Economic Development (MoED) of the Government of Maldives (GOM). MoED has gained experience in World Bank-financed projects through its successful implementation of the Maldives COVID-19 Emergency Income Support Project (CEISP). The CEISP PMU under the MoED which has gained the necessary capacities with the World Bank support is expected to implement the Sustainable and Integrated Labor Services (SAILS) project well.

In terms of E&S compliance rating of CEISP, project's performance was continually rated as being 'Satisfactory'. The CEISP had successfully filled E&S staffing positions, built their capacities, carried out communication campaigns and consultations, administered a satisfaction survey, operationalized an effective grievance redress mechanism (GRM), and also put in place COVID-19 safety measures in accordance with the Stakeholder Engagement Plan, ESMF, and Labor Management Procedure. The project's stakeholder engagement actions has been highlighted as a good practice by World Bank in the region. Hence the PMU has demonstrated strong capacities under the CEISP, which should contribute with support of World Bank to implement E&S due diligence actions under the SAILS project.

The GRM for the project has been functioning well with 43,195 grievances resolved. All of the cases had been addressed within a two-week period. In terms of the nature of grievances, 65 percent of the grievances were related to enquires requesting guidance on the application process and the status of the applications

⁷ Labour market report, Q1-2-21. <https://trade.gov.mv/uploads/14/newweb/reports-and-publications/q1-labour-market-report-final.pdf#22>

submitted, and the remainder were related to delays in payments or expressing dissatisfaction in the application process including the amounts received. The beneficiary satisfaction surveys which was completed also provided useful findings to understand areas to improve the project design. Accordingly, the project took measures to reduce the processing time for applications by simplifying processes and improving the time taken for depositing & communicating with the applicants etc. Island Councils reached out to vulnerable groups to support in the application process and business associations reached out to encourage women in self-employment to apply for ISA. Given these additional measures taken, application approval rate increased from 66 percent in phase 1 to 93 percent in phase 2 and the percentage of female applicants also increased from 23 percent in phase 1 to 45 percent in phase 3. Furthermore, campaigns and awareness raising was done through social and traditional media channels, and over 100 rounds of consultations were held with local government authorities and island councils, media, and civil society groups to disseminate information about the ISA program including the application process. In addition, consultations were carried out as part of the restructuring of the CEISP to pilot active labor market programs (ALMPs), including vocational training, apprenticeships, and small business start-up support for unemployed Maldivians. In terms of engaging citizens, a training needs assessment has already being conducted to inform the designs of the pilot ALMPs under the CEISP. Accordingly the PMU will build on its existing stakeholder partnerships and engage with them for the SAILS project as well.

4.0 ASSESSMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS AND MITIGATION MEASURES

4.1 Project Benefits

Based on the current estimates, it is expected that the Unemployment insurance scheme would support between 10 % to 25% of temporarily unemployed workers.

4.2 Environmental and Social Risk Classification as per World Bank's ESF

Environmental Risk Rating: Low

The project will support to establish unemployment insurance scheme to provide financial support and other supporting services such as training opportunities and job placement for laid off workers. There are no civil work activities planned under the project. However, IT equipment may be procured to establish an information system to operate the unemployment benefit scheme (UBS). If IT equipment is procured, use and disposal of this equipment at end of life will lead to the generation of E-waste that can be managed via protocols and arrangements to ensure that sound management is undertaken in line with the regulations of the Maldives Waste Management Department, Environmental Protection Agency and international good practice including requirements under ESS3. If IT equipment may be procured, the project will prepare a project specific E-waste management guideline.

OHS risks would also be minimum especially since most of the country's resident population is vaccinated and most restrictions are being lifted as the vaccine status progresses. Despite the high rate of vaccination, social distancing and safe measures are still in place and will continue to do so into the foreseeable future. Since 66% of the population is fully vaccinated, there are limited risks of COVID-19 contagion to Project workers, especially while carrying out tasks requiring interactions with other workers and community members. However, since COVID-19 pandemic still persist, the project workers will follow proper hygiene, social distancing measures and other safety precautions which will be detailed in the ESMF that will be prepared, the WHO standards and other Government guidelines.

However, Component 3 of the project is the Contingent Emergency Response Component (CERC). In case of activation of the CERC, the project ESMF will be updated as soon as the scope of the contingency component becomes better defined. In addition, a CERC Operations Manual will be prepared during project implementation to govern the operation of the CERC. The manual will be aligned with the ESMF at the time of preparation and will include provisions to ensure environmental and social due diligence in line with the requirements of the ESF.

Social Risk Rating: Moderate

The support program for Unemployed workers through the insurance program, with active labour market support programs added, the types of E&S risks will remain the same as with the COVID-19 Income Support Allowance program.

Hence, the social risk rating will remain as ‘moderate’ due to the potential risks associated with: (i) exclusion of eligible beneficiaries, particularly vulnerable groups from benefiting from the program due to lack of equitable selection criteria and processes including challenges in accessing information and services about the Unemployment Insurance program, skills training and project benefits; (ii) specific challenges faced by women to participate fully & benefit from training and employment opportunities due to household & childcare duties and cultural & social norms (e.g. certain courses or jobs such in ICT and tourism sector may be viewed as being more suitable for males), (iii) occupational health and safety risks to project workers over potential infections as they interact with other staff and community members associated with the project including risks of gender-based violence especially during on-site training and residential programs, and iv) inadequate consultations & citizens engagement during preparation and finalization of the unemployment insurance program, lack of transparency in the application and decision-making processes which could lead to social tensions.

The social risks are expected to be avoided or mitigated by ensuring the project design and program eligibility criteria and processes are inclusive and equitable and beneficiary selection processes etc. is carried out in a transparent manner. Vulnerable workers in underserved areas including women, people with disabilities will be able to access information and services thorough specific outreach activities and meaningful consultations are conducted and avenues of grievance redressal will be put in place. In addition, the project will have measures for meaningful consultations and engagement.

Although the COVID-19 situation is mostly stable except for periodical spikes in cases, the service providers (education institutions and SOEs) will ensure to the regulations of Health Protection Agency (HPA) to ensure applicants are fully vaccinated with both doses and furthermore maintaining social distancing. The project will comply with COVID-19 Health and Safety guidelines and adopt a Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Code of Conduct for all project workers including training providers to comply with as part of their contractual obligations. There will be a GRM for stakeholders and beneficiaries as well as for project workers.

ESS 1 - ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

The project will support to implement unemployment insurance (UI) and employment services (ES) programs such as training opportunities and job placement for laid off workers. There are no civil work activities planned under the project. However, IT equipment may be procured to establish an information system to operate the UI and ES programs. The project does not plan to procure IT equipment in large scale. However, if procuring IT equipment becomes necessary for project management purposes, disposal of such

equipment at end of life that will lead to the generation of E-waste will be managed via protocols and arrangements to ensure that sound management is undertaken in line with the regulations of the Maldives Waste Management Department, Environmental Protection Agency and international good practice including requirements under ESS3. As such, depending on necessity, the project will prepare a project specific E-waste management guideline.

Given the current situation associated with the COVID-19 pandemic, occupational health and safety risks for project workers (i.e. PMU staff, workers engaged with the Job Center, staff at the new unemployment benefit scheme (UBS), educational/trainings institutions and employers who will directly engage with the public), is a concern. To mitigate these risks, the project workers will follow proper hygiene, social distancing measures and other safety precautions which will be detailed in the ESMF of the project, the WHO standards and other Government guidelines.

The key social risks are related to issues of exclusion and access to information and services specifically for vulnerable and marginalized groups. These risks are associated with the eligibility criteria and processes not being designed in an equitable and a transparent manner thereby excluding key vulnerable groups from benefiting from the unemployment benefit scheme and the supporting services. In addition, disadvantaged and vulnerable groups may face challenges in terms of accessing information and services to apply for the benefit scheme, undermining the central objectives of the project. The project will seek to prioritize enrollment of workers who are at present uncovered by social insurance, in particular those whose jobs are most vulnerable to economic and climate-related shocks. Accordingly, inclusive and equitable eligibility rules and enrollment processes will be in place for the UBS. The UBS will link jobseekers to training opportunities, subsidize cost of trainings and provide an allowance to trainees to ensure inclusion workers struggling economically to enter into the job market.

All Island Council Offices have access to ICT facilities including internet connectivity. Under the Maldives COVID-19 Emergency Income Support Project (CEISP), Island Councils were trained on the income support application process. Subsequently, Island Councils supported those who lacked internet connectivity/access to ICT services to access the online JobCenter platform at the Island Council offices. Accordingly, under the SAILS project, Island Councils will take this learnings forward and support vulnerable groups to access ICT/online facilities to submit their applications and access employment support services through the ICT facilities available in Island Council offices.

Women makes up a larger proportion of discouraged workers or potential labor force. This is more prevalent among women who are living in atolls where there are limited employment opportunities on their residential island. Additional barriers discouraging female workers include family/childbearing responsibilities, unpaid care work, household work, and mobility restrictions. The project aims to reduce existing gender gaps in employment by increasing women's registration on the Job portal and increasing their access to related support services. The project will provide employment services to discouraged workers, with a focus on women in the informal sector to facilitate transition into the formal labor force, and enhance outreach in the atolls through trained case workers positioned in JobCenters. Firstly the project will ensure that 30% pf the case workers are women who will be trained and empowered to support the delivery of other social programs, including the welfare benefits implemented by NSPA and the Ministry of Gender, Family and Social Services (MoGFSS). The project will accommodate and pay for demand led external employability enhancing interventions (such as soft or technical skills development, self-employment support, and entrepreneurship training. Additionally, existing data gaps in relation to gender and unemployment in the Maldivian labour market will be sought through research collaboration with the Maldives Bureau of Statistics. The progress of impact of these activities will be measured by the increase in employment rate of female jobseekers participating in the employability services (ES) program.

With experience gained from the CEISP, the project will implement an effective citizen engagement program through communications, meaningful consultations, conducting satisfaction surveys and implementing a robust grievance redressal mechanism to promptly response to enquiries, suggestions and complaints from citizens and beneficiaries. The outreach outreach and communications activities will be designed and implemented to reach populations in remote Islands in the local language. The cadre of case managers and careers counsellors at the UBS, will collaborate with educational institutions and employers to address the needs of beneficiaries and create an individualized program of support that leads to productive employment. These case managers will have a physical presence in the regions, in order to reach underserved and more vulnerable workers.

The project has prepared Environmental and Social Management Framework (ESMF), a Stakeholder Engagement Plan (SEP) and a Labor Management Procedures (LMP) which has been prepared. The project does not involve any sub-projects, and hence will not require preparation of site-specific environment and social management plans during implementation. However, a ESMF has been prepared customized to the project activities and the level of risk to serve as a guidance to the borrower on the ESF requirements and procedures that needs to be complied with during the planning and implementation of project activities.. The project has also prepared other instruments, as required, for the respective Project activities including for contracts for consultant firms and/or individuals based on the assessment process, the ESSs, the ESCP, the ESMF, the EHSGs, and other relevant Good International Industry Practice (GIIP) including the WHO guidelines on COVID-19 as acceptable.

ESS 2 – LABOR AND WORKING CONDITIONS

The project workforce includes: (i) direct workers, mainly the staff of PMU, MPAO and MoED and (ii) contracted workers, mainly the staff at the Job Centres, Training Providers, Consultants contracted to design and also to deliver the ES & UI programs and Case Managers operating at Island Council Offices who will support the project activities, (iii) workers of primary suppliers if IT equipment is procured and (iv) community workers from local governments, workers’ associations and island-level community groups who will support in outreach activities . The project has prepared an LMP detailing the procedures to establish and maintain a safe working environment; covering terms and condition of employment; non-discrimination and equal opportunities; prohibition of forced labor & child labor; prevention of SEA/SH and adhering to workers’ rights in a manner consistent with ESS2.

The MoED and MPAO will also collaborate and consult with project workers in promoting understanding and methods for implementation of OHS requirements, especially in relation to COVID risks, as well as in providing information and training to project workers on occupational health and safety and infection control strategies based on administrative controls, safe work practices such as provision of personal protective equipment (PPE) comprising masks, gloves and hand sanitizers, without expense to the project workers. All project workers including staff of the UBS & training providers while may physically interact with beneficiaries will be made ware about SEA/SH prevention Code of Conduct and will also be expected to sign it. The labor GRM of the CEISP will be used for the SAILS project, which will be set up for all workers to raise and resolve workplace-related concerns including those that are related to SEA/SH issues.

ESS 3 – RESOURCE AND EFFICIENCY, POLLUTION PREVENTION AND MANAGEMENT

Under the SAILS project, IT equipment may be procured to establish an information system to operate the unemployment benefit scheme (UBS). If IT equipment is procured, use and disposal of this equipment at end of life will lead to the generation of E-waste.

As the Maldives does not have explicit standards or requirements for management (including storage, transportation, and disposal) of hazardous waste, which include E-Waste, international best practice guidance such as the World Bank Groups Sectoral Guidelines on Solid Waste Management, and strict criteria on producer management of e-waste, including the transport of decommissioned systems out of the country as part of the investments, will be followed via mandatory provisions in contracts with suppliers and contractors. These will be in line with both national legislation and applicable international conventions, including measures such as a buy-back arrangement with the equipment suppliers over the life cycle of the equipment. If IT equipment is procured, relevant domestic regulations, conventions and their enforcement will be reviewed against the requirements of ESS3 and the World Bank's applicable Environmental, Health, and Safety Guidelines to confirm the adequacy of the existing system for battery management and recycling in the Maldives. These documents will be used to develop a project specific E-waste management guideline. The guideline will refer to measures that can be taken which can include buy-back arrangements with equipment vendors, recycling and resource recovery measures and others. Specific protocols for use and management, specific to the exact nature of e-waste generated via the project will be prepared in the form of a guideline at the time a decision is made that the project will procure IT equipment.

ESS 4 – COMMUNITY HEALTH AND SAFETY

Since most of the application, beneficiary enrollment and benefit payments are expected to come through the online platform (Job Center), the risks of exposure to COVID-19 contagion for the beneficiaries who use digital services is expected to be minimal. Since the case managers and careers counsellors including with educational institutions and employers may physically interact with beneficiaries, interactions would increase the risk of exposure to the virus for these workers and also pose a similar risk for the communities, especially the vulnerable groups. The project will take precautions in anticipating and avoiding adverse impacts on the health and safety of communities, including keeping beneficiaries updated on specific protocols for cash-out and minimizing risks of in-person interactions planned during the project implementation; engaging with community for project work in person only if any other alternatives are not available; ensuring that the project related work strictly adhere to the guidelines issued on COVID-19 by the Government and the WHO; and mandating hand hygiene and personal protective equipment (PPE) such as facemasks etc. thus ensuing OHS protections in accordance with General EHSs even during community engagement to protect against contamination from COVID-19.

While there has not been any reports or evidence on risks of sexual abuse and exploitation linked to registration for social protection programs in the Maldives, these concerns have materialized in other emergency contexts. Therefore information on GBV and support services will be provided through the communication outlets (e.g. website, leaflets) to increase women's awareness of these services. All project staff, trainers providers, employers and project beneficiaries will subscribe to a zero tolerance policy on sexual harassment, undergoing awareness training in SEA/SH prevention and reporting, signing a code of conduct, and making safe spaces available for beneficiaries to share any concerns around SEA/SH experiences. Training modules delivered will also include topics relating to gender equality, GBV, sexual abuse and harassment. Information regarding these programs will also be disseminated across the country using the Women's Development Committees as a means of information dissemination.

The SEA/SH risks of the project was rated as 'low' determined by the World Bank's SEA/SH Risk Rating tool. The SEA/SH risk was rated 'low' because the project does not support any rehabilitation or construction activities, here there is no risks associated with labor influx. Further since majority of the activities will be done remotely via the online platform (Job Center), there will be limited physical interaction between people. In addition, training programs and apprenticeships with employers will take place in accessible urban areas and the project will have systems in place to monitor the implementation of SEA/SH prevention

measures such as adopting of a Code of conduct including SEA/SH complaint reporting through the project GRM.

ESS5 LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT

This standard is currently considered Not Relevant. The project is not expected to support construction or rehabilitation works of any nature. Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households' use of land and livelihoods, will not be considered under the project.

ESS 6 - BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

This standard is currently considered Not Relevant since the project does not involve any civil or rehabilitation works that would affect biodiversity or natural resources.

ESS7 INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES

This ESS is Not Relevant for this project. There is no evidence suggesting the presence of Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities in the Maldives.

ESS 8 – CULTURAL HERITAGE

This standard is currently considered Not Relevant since the project does not involve any civil or rehabilitation works that would have an impact on cultural heritage.

ESS9 FINANCIAL INTERMEDIARIES

Given the nature of the project, this standard is Not Relevant as there will not be any financial intermediaries that will be involved.

ESS 10 – STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

The project recognizes the need for an effective and inclusive engagement with all relevant stakeholders and the population at large. The project will put to practice the learnings from the CEISP in regards to meaningfully engaging stakeholders. For example, under the CEISP communication campaigns and awareness raising was done through social media, television, radio etc. and carried out 100+ rounds of consultations with local government authorities and island councils, media, and civil society groups to disseminate information about the Income Support Assistance program including the application process. Two satisfaction surveys was also completed by the CEISP. The beneficiary satisfaction survey provided useful findings to understand areas to improve the project design. Accordingly, the project took measures to reduce the processing time for applications by simplifying processes and improving the time taken for depositing & communicating with the applicants etc. Island Councils also reached out to vulnerable groups to support in the application process and business associations reached out to encourage women in self-employment to apply for ISA. All Island Council Offices have access to ICT facilities including internet connectivity. Under the Maldives COVID-19 Emergency Income Support Project (CEISP), Island Councils were trained on the income support application process. Subsequently, Island Councils supported those who lacked internet connectivity/access to ICT services to access the online JobCenter platform at the Island Council offices.

Under the SAILS project, to ensure employment services will be accessible to citizens in the atolls, the Job Center will be expanded, with five regional hubs established and Job Center staff placed in up to 50 island council offices. The dedicated case managers in island council offices, will serve as a personal contact for beneficiaries of the UI and ES programs at the atoll level and support vulnerable groups to access ICT/online facilities to register for the UI and ES programs and access services available with the Job Center platform through the ICT facilities available in Island Council offices. . The case workers at Island Councils will also be trained and empowered to support the delivery of other social programs, including the welfare benefits implemented by National Social Protection Agency (NSPA) and the Ministry of Gender, Family and Social Services (MoGFSS).

In regards to stakeholders consultations as inputs to the design of the SAILS project, relevant consultations have already being carried out with key stakeholders to design UI scheme by an international expert with support from the World Bank through the CEISP. In addition, consultations were carried out as part of the restructuring of the CEISP to pilot active labor market programs (ALMPs), including vocational training, apprenticeships, and small business start-up support for unemployed Maldivians. Furthermore, consultations have also been done with stakeholders linked to the MEERY project under the Ministry of Higher Education to received inputs on the design of the ALMPs around vocational training. In terms of engaging citizens, a training needs assessment has already being conducted to inform the designs of the pilot ALMPs under the CEISP. Accordingly the PMU will build on its existing stakeholder partnerships and engage with them for the SAILS project as well. A virtual preparation mission for the proposed Sustainable and Integrated Labor Services Project was carried out from January 23 to February 3, 2022. The primary objective of the mission was to to discuss and agree on the design of the Unemployment Insurance program at the core of the project, and from that to develop the project interventions, budget and timeline. During the preparation mission, the team held extensive discussions with the key counterparts in the Ministry of Finance (MoF), Ministry of Economic Development (MoED), Maldives Pension Administration Office (MPAO), as well as other key stakeholders in the new program including with the President's Office and National Social Protection Agency (NSPA).

The project will adopt a coherent approach for engaging citizens and relevant stakeholders in project activities taking forward the learnings from the COVID-19 Emergency Income Support Project (CEISP). The design of the UI and ES programs will be carried out in a consultative and inclusive manner, including drafting regulations, establishing program rules and eligibility criteria and liaising with other government and non-government entities. The Project will form a Civil Society Advisory Panel with representation from various employed/self-employed worker associations that will provide inputs to the design of the UI and ES programs and also function as a third party monitor of the beneficiary registration and case management processes. For Component 1, a public awareness campaign will be launched on social and broadcast media to inform potential beneficiaries about the available Employability Services (ES) and to reach populations in remote Islands in the local language. In addition to harnessing social and traditional media for information disclosure and feedback, the PMU will reach out to local governments, workers' associations and island-level community groups including women's groups to spread the word about the ES program and collect feedback and suggestions. For the activities under Component 2, consultations that have already begun during the design the Unemployment Insurance (UI) will continue during the establishment of the UI fund and its administrative systems during project implementation. In addition to expanding the Job Center service centers, case managers will operate from island council offices, who will serve as a personal contact for beneficiaries of the UI and ES programs at the atoll levels to reach out to and proactively collect feedback from the local community including vulnerable groups and those without access to internet. The cadre of case managers, will collaborate with educational institutions and employers to address the needs of beneficiaries and create individualized programs. The SEP includes the in detail the specific measures that will be used for awareness as well as consultations covering activities under component 1 and 2.

Just like in the CEISP, beneficiary feedback surveys will be conducted to obtain feedback on the level of satisfaction regarding the ES and the UI programs and understand areas to improve and strengthen the ES and UI programs. The Grievances Redressal Mechanism (GRM) that successfully operated for the CEISP, will be used for the SAILS project as well. The GRM that is incorporated into the Jobcenter website to promptly response to enquiries, suggestions and complaints from citizens and beneficiaries through the website and the available Information hotline. As in the CEISP, all grievances will be resolved within a two week period. Information provided will be treated as confidential and not disclosed at the individual level or in a manner that could identify individuals. GRM data will also be analyzed regularly to understand program & system issues, and the learnings will be used at the aggregate level for course correction to improve program operation. The CEISP will be completed once the new SAILS project starts. Hence the existing staff who gained experience handling the GRM of CEISP will be able to focus their efforts to manage the GRM of the SAILS project. The three beneficiary feedback indicators used for the project are (a) Beneficiary satisfaction with the UI program (percentage by gender), (b) Beneficiary satisfaction with the ES program and (c) Grievances addressed within two weeks (percentage).

The project’s stakeholder Engagement Plan has been prepared and disclosed detailing the stakeholder engagement approaches planned under the SAILS project targeting for specific groups including beneficiaries, vulnerable groups, civil society organizations, government & private sector institutions, development partners etc.

4.3 Environment and Social Mitigation Measures

Following provides a detailed list of risks and impacts from project interventions and measures that can mitigate both potential environmentally and socially adverse impacts that may arise as a result of cash transfers. For additional mitigation measures refer LMP, SEM, WB and WGO Occupational Health and Safety Guidelines.

Issues/ Elements	Risks/Impacts	Mitigating Measure
Stakeholder consultations & mechanisms to assure transparent and equitable provision of employment support.	<p>Inadequate consultations with relevant stakeholders during the preparation and finalization of the National Social Protection Framework, pension program, unemployment insurance program, targeting systems, skills training, apprenticeship and entrepreneurship programs.</p> <p>Eligibility criteria for selecting beneficiaries for UI and ES programs excludes key marginalized and vulnerable groups.</p> <p>No mechanism for stakeholders to raise concerns & objections against selection process.</p>	<p>Consultations processes would be initiated with relevant stakeholders during the preparation and finalization of the National Social Protection Framework, pension program, unemployment insurance program, targeting systems, skills training, apprenticeship and entrepreneurship programs.</p> <p>Eligibility Criteria & beneficiary selection process would be formulated and finalized in a transparent manner in consultation with key stakeholders.</p> <p>The GRM will allow the public to raise any concerns regards beneficiary selection within a set time period before finalizing the beneficiaries.</p>
Access to Information	Project related information, details regarding eligibility criteria and	Project will take special measures to reach vulnerable groups (elderly, disabled etc.) who do

	<p>application procedures not reaching vulnerable the elderly, people with disabilities etc.</p> <p>Vulnerable groups (elderly, disabled, those in removed locations etc.) may not have access to internet nor know how to use internet or to operate electronic devices such as TV, radio, mobile phones to access information about the project.</p> <p>Information disseminated is not user-friendly format, hence vulnerable groups are not able to understand project details and procedures.</p>	<p>who not have access to mainstream media or internet.</p> <p>Information will be communicated in a user-friendly format even elderly, people with disabilities etc. could easily understand.</p> <p>The project will work with existing community-groups, networks and skills training providers to disseminate project information and material – these will be hand delivered to homes of vulnerable groups (elderly, disabled etc) following appropriate social distancing protocols.</p> <p>A project information hotline and contacts of Island Councils focal points will be available for people to call and obtain clarifications in addition to the project website that will have all pertinent information.</p>
<p>Facilities to submit application, to open bank accounts and receive payments</p>	<p>Vulnerable groups may not have access to internet nor know how to use internet to submit their application.</p> <p>Further they may not have banks accounts and may lack the knowledge to open bank accounts.</p> <p>Further they may be challenged in terms traveling to banks to open bank accounts and to withdraw money due to their vulnerabilities which would also be compounded by the travel restrictions.</p>	<p>Island council representatives and/or community volunteers will visit homes of vulnerable groups to support them to prepare and submit the applications manually.</p> <p>The project will also make available mobile banking facilities to vulnerable groups to open banks accounts and do transactions from their homes without having to travel to the banks or POSs. For example, once applications are filled and signed by the beneficiaries Island council representatives will facilitate opening of the bank accounts and also delivery of the money for the UI program.</p>
<p>Lack of documentation necessary to proof eligibility</p>	<p>More than the average citizen, vulnerable groups (especially, elderly, disabled etc.) may lack the necessary evidence and the required documentation to prove their eligibility.</p> <p>These groups may be challenged in terms of contacting or traveling to meet relevant authorities to obtain missing documentations. Further, they will be challenged due to travel restrictions and</p>	<p>The project will establish mechanisms to support vulnerable groups to obtain missing documentation to process their applications. Island Councils representatives will take special initiatives to support vulnerable groups with their application documentation.</p> <p>In addition, the project design will include alternate options for vulnerable groups to prove their eligibility if they are not able to furnish the required documentation.</p> <p>The project will have measures for vulnerable groups to receive extensions for submission of</p>

	closure of departments due to work from home regimes in place.	their supporting documents with the approval of the Island Councils to accommodate valid delays in submission of documents.
Occupational & community health and safety.	<p>Health and safety risk for all workers of the project as associated with COVID-19 infection, especially if proper hygiene, safety precautions and social distancing measures are not adhered to. These include staff of PMU, NSPS, MED, ICT suppliers & Island councils.</p> <p>Increase in the risk of exposure to the virus among community groups and communities especially for the vulnerable groups during interactions with Island councils and Job Centres.</p>	<p>The project will train all workers on special occupational health and safety guidelines and practices to follow during the COVID-19 crisis – inline with WB & WHO guidelines .</p> <p>Island councils, training providers, community workers including communities, and vulnerable groups would also be made aware on protocols to adhere to during community interactions such as practicing proper hygiene, masking, other safety precautions and social distancing measures.</p> <p>The project will as far as possible work and even liaise with communities remotely minimizing any risks of exposure to the virus avoiding face to face contacts.</p> <p>The project will have two GRMs, one for project workers and other for project beneficiaries to report on issues that concerns them.</p>
Gender-based Violence (GBV)/Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH):	<p>Risks of GBV, SEA and SH may also increase as a result of increased interactions between the workers of Island Councils and community groups during home visits, especially for homes without any male presence.</p> <p>With the infusion of cash into homes, conflicts may arise regards spending decisions, which could lead to domestic violence.</p> <p>There are also risks of project workers being harassed by unhappy claimants while working at the Call Center or during the verification stages.</p>	<p>The project will train all project workers on GBV, SEA and SH prevention measures and protocols.</p> <p>In all Islands, awareness will be made on risk of GBV, SEA, SH and domestic violence and on prevention measures.</p> <p>All staff will be made aware of the GRM available for the staff and will also be able to lodge complaints to the Sexual Harassment Prevention Committee established under Prevention of Sexual Harassment Act (16/2014).</p> <p>All training providers and all trainees will comply with and adopt a SEA/SH Code of Conduct which will be incorporated into service agreements with training providers and into student applications.</p>
Labor and working conditions	Terms and conditions of employments are not in accordance with the requirements of national law and ESS2.	The Social Specialist at PMU will review to ensure that terms and conditions of all workers are in accordance with the requirements of national law and ESS2.

	<p>Risk of stress, fatigue or burnout of staff of PMU, NSPS, MED due to overworking to manage the excessive demand given the urgency to process a large number of applications.</p>	<p>The project will utilise services of consultants during peak periods to manage the workloads.</p> <p>Specific protocols and work-life-balance measures will be in place to ensure that staff are not over worked.</p> <p>The workers associated with the project will be able to lodge their complaints, concerns, difficulties to the Workers' GRM.</p>
<p>Social conflicts and tensions</p>	<p>Social tensions could arise due to community groups or individuals being dissatisfied due not been selected or due to others being selected. Any lapses, bottlenecks or delays in the process or timely receipt of cash could lead to a social up rise if the issue impacts many.</p> <p>Risk of social tensions due to concerns about infection spread to the communities when visiting homes of vulnerable groups by Island Councils, training providers and Community groups. Further any GBV, SEA and SH issues could also lead to a social up rise.</p> <p>Anger towards project workers and stigmatizing them as they may be viewed as vectors of COVID-19 for passing on infections to communities.</p>	<p>The project will implement the SEP efficiently and effectively to obtain community feedback and ensure their concerns are addressed throughout the project.</p> <p>Communication messages will also address issues of stigmatization of project workers.</p> <p>Island councils, community workers including communities, skills training providers and vulnerable groups would also be made aware on protocols to adhere to during community interactions such as practicing proper hygiene, masking, other safety precautions and social distancing measures and including measure to prevent issues of GBV, SEA and SH.</p> <p>The project would build in principles of inclusion and transparency into every aspect of the project from start to end.</p> <p>The GRM will allow the public to raise any concerns regards beneficiary selection within a set time period before finalizing the beneficiaries.</p>
<p>Socio-economic disparities</p>	<p>Improper targeting could create and/or exacerbate socio-economic disparities leading to greater income inequalities.</p>	<p>The project has carried out survey and needs assessments to identify vulnerable groups and assess potential impacts from the project to inform project design to minimize creating socio-economic disparities.</p> <p>The project will also conduct an impact evaluation during midstream to assess impacts both positive and negative and incorporate design changes and policy recommendations to address socio-economic impacts exacerbated due to project interventions.</p>

Providing a hybrid model of Face to face and online training	During face to face sessions, chances to increase the number of covid-19 cases. Vulnerable groups not able to bear costs of transport to attend training.	Consultations processes would be initiated with relevant stakeholders during the preparation and finalization to ensure all parties involved adhere to the guidelines enforced by HPA. A transport allowance will be paid to beneficiaries needing to travel to attend training.
Technical issues to be resolved during online training sessions	During the online sessions, video conferencing may have technical difficulties due to limitation in hardware, software or weak internet connection.	Consultations processes would be initiated with relevant stakeholders including the island councils to ensure that the applicants are not marginalised due to the limited access to computer/laptop or internet connection.

4.4 Gender Inclusion

The Maldivian labour market is characterized by deep divides between the formal and informal sector workers. The formal sector is dominated by employed men (77%) compared with only 46% women. Women makes up a larger proportion of discouraged workers or potential labour force. This is more prevalent among women who are living in atolls where there are limited employment opportunities on their residential island. Additional barriers discouraging these workers include family/childbearing responsibilities, unpaid care work, household work, and mobility restrictions.

Under the Income Support project, In regards to gender impacts, PMU encouraged and assisted women in self-employment to apply for the ISA in the following ways: a) targeting outreach and communications to women and self-employed workers, b) tailoring support services for female self-employed workers to help them apply, including training island council officials to support these workers with their applications and publicizing the ISA support hotline and c) providing flexibility in documentation requirements to be eligible for income support. Given these additional measures taken, the percentage of female applicants also increased from 23 percent in phase 1 to 45 percent in phase 3. Furthermore, through the restructuring, the project is strengthening targeting and engagement of female workers who have been pre-identified as socially and economically vulnerable linking to the COVID-19 pandemic and incidents of Gender Based Violence (GBV) through increased awareness raising to target women, ensuring eligibility by having quotas for women and by improving access skills training & supporting services.

Goring forward, the SAILS project aims to reduce existing gender gaps in employment by increasing women’s registration on the Job portal and increasing their access to related support services. The project will provide employment services to discouraged workers, with a focus on women in the informal sector to facilitate transition into the formal labour force, and enhance outreach in the atolls through trained case workers positioned in JobCenters. Firstly the project will ensure that 30% pf the case workers are women who will be trained and empowered to support the delivery of other social programs, including the welfare benefits implemented by National Social Protection Agency (NSPA) and the Ministry of Gender, Family and Social Services (MoGFSS). The project will accommodate and pay for demand led external employability enhancing interventions (such as soft or technical skills development, self-employment support, and entrepreneurship training. Additionally, existing data gaps in relation to gender and unemployment in the Maldivian labour market will be sought through research collaboration with the Maldives Bureau of Statistics. The progress of impact of these activities will be measured by the increase in employment rate of female jobseekers participating in the employability services (ES) program.

5.0 PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL ISSUES

5.1 Environmental and Social Processing Steps

The processes outlined below follows the relevant requirements of the World Bank's Environmental and Social Standards, especially ESS1, ESS2, ESS4 & ESS10 are relevant. It provides a mechanism for ensuring that potential adverse environmental and social impacts of sub-projects are identified, assessed and mitigated as appropriate, through an environmental and social screening and management process.

- **Step 1: Assess the environmental and social risks and impacts of proposed Project activities**, in accordance with the Environmental and Social Management Framework (ESMF) prepared for the Project, including to ensure that individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, have access to the development benefits resulting from the Project. A preliminary assessment/identification of project risks and impacts has already been conducted, as mentioned in:
 - Chapter 4: Assessment of Environmental and Social Risks and Impacts and Mitigation Measures.
 - Risks and impacts described in Stakeholder Engagement Plan (SEP) and Labor Management Procedure (LMP).
- **Step 2: Adopt and implement any environmental and social management mitigation measures** required for Project activities based on the assessment process as well as the ESSs, ESMF, EHSs, and other relevant Good International Industry Practice (GIIP), including the WHO guidelines on COVID-19, prepared under the Project. These measures will be adopted in a manner acceptable to the GoM as well as the World Bank. The ESF principles, procedures and other guidelines include:
 - Procedures for management of Occupational Health and Safety - refer to LMP and WB guidelines (provided in Annex 2).
 - Procedures for management of Community Health and Safety - refer Section 5.3 of ESMF, SEP, LMP and WB & WHO guidelines (provided in Annex 2).
 - Procedures for Stakeholder Engagement - refer SEP & Section 6 of ESMF.
 - Procedures to ensure the prevention of GBV, SEA and SH – refer Section 5.2 of ESMF & WB guidelines (provided in Annex 2).
 - Procedures for management of Environment and Social Risks and Impacts during CERC Component Implementation – refer Section 5.4 and Annex 1 of ESMF.
- Incorporate relevant aspects of this ESCP, including, inter alia, any environmental and social management plans or other instruments, ESS2 requirements, and any other required ESHS measures, into the contracts for consultant firms and/or individuals.
- **Step 3: Implementation Monitoring and Reporting** - examples of type pf activities to be performed:
 - Determine whether the project is being carried out in conformity with environmental and social and legal agreements
 - Identify issues as they arise during implementation and recommend means to resolve in time.

- Recommend changes to the proposed concept and the project design, as appropriate, as the project evolves, or circumstances change; and identify the key risks to project sustainability and recommend appropriate risk management strategies.
- An appropriate environmental and social supervision plan will be developed aiming to ensure the successful implementation of an ESMF across the project and will be shared with the World Bank.
- The environment and social team based in the PMU will be responsible for overall monitoring of the ESMF implementation up to the project closure and transfer for management to the designated authority.
- Photographic documentation of non-compliance as well as best practices will be used as a means of recording implementation conditions efficiently, in addition to written evidence.
- MED and MoED will be responsible for overall monitoring of compliance. PMU to receive updates and share with WB.
- Compliance monitoring reports will be submitted to the World Bank on a quarterly basis from the commencement of the contract.
- Regular World Bank missions will include specialists to monitor the project's compliance with World Bank safeguard policies. The progress of environmental monitoring will be formally communicated to World Bank through regular progress reports and updates as per the compliance monitoring agreement made during project implementation.

Procedures for Managing E and S impacts via Technical Assistance to the project

All ToRs pertaining to any studies under Component 2, to be undertaken as technical assistance during the project period (e.g., strengthening NSPA's delivery and targeting Systems, developing a fiscally sustainable unemployment insurance program, reforming pension programs, and developing a National Social Protection Framework, will be reviewed in accordance with the ESSs of the World Bank's ESF in order to ensure key areas on Environmental and Social considerations are embedded into the studies. All ToRs will be subject to World Bank clearance.

5.2 Measures for addressing GBV, SEA/SH Risks and Impacts

GBV, SEA/SH risks and impacts under the Project are considered to be low; but given the increasing prevalence of such incidents in emergency situations, like COVID-19 in other contexts, and similar increases in domestic violence under household financial constraints and cash transfer projects, this Project will implement a number of activities to prevent GBV, SEA/SH risks. In particular, World Bank Group's 'Technical Note on SEA/H for HNP COVID Response Operations,' Inter-Agency Standing Committee's 'Interim Technical Note: Protection From Sexual Exploitation and Abuse (PSEA) during COVID-19 Response,' 'The COVID-19 Outbreak and Gender: Key Advocacy Points from Asia and the Pacific,' 'UN Women, 2020 and the COVID-19 resources to address gender-based violence risks', will be used as a guide towards the design and implementation of measures to prevent. These will involve:

- Communication campaign related to specific issues women face during the pandemic, including safeguarding and responding to SGBV and child abuse.
- Publicly post or otherwise disseminate messages clearly prohibiting GBV, SEA/SH and providing the contact information for the Project GRM, should there be any cases or suspicion of sexual exploitation and abuse.
- All staff and faculty conducting the apprenticeship training will subscribe to a zero tolerance policy on sexual harassment, undergoing awareness training in SEA/SH prevention and reporting, signing

a code of conduct, and making safe spaces available for beneficiaries to share any concerns around SEA/SH experiences.

- All training modules delivered will include topics relating to gender equality, GBV, sexual abuse and harassment. Information regarding these programs will also be disseminated across the country using the Women's Development Committees as a means of information dissemination.
- Prepare and implement and train all workers in regard to GBV prevention and child protection protocols during community engagement activities. Identify and prepare a list of GBV psychosocial support services that are available to support victims/survivors.
- Ensure that the Project GRM will have a mechanism for confidential reporting with safe and ethical documenting of GBV issues.

5.3 Measures for management of Occupational Health and Safety

As detailed out in the Labor Management Procedure for the Project, measures should be put in place for protecting workers from exposure to the virus that causes Covid-19 depending on the type of work performed and exposure risk. Employers will adapt infection control strategies based on a thorough hazard assessment, using appropriate combinations of engineering and administrative controls, safe work practices, and personal protective equipment (PPE) to prevent worker exposures.

For all workers, regardless of specific exposure risks, it is always a good practice the following:

- I. Frequently wash your hands with soap and water for at least 20 seconds. When soap and running water are unavailable, use an alcohol-based hand rub with at least 60% alcohol. Always wash hands that are visibly soiled.
- II. Avoid touching your eyes, nose, or mouth with unwashed hands.
- III. Practice good respiratory etiquette, including covering coughs and sneezes
- IV. Avoid close contact with people who are sick.
- V. Stay home if sick.
- VI. Recognize personal risk factors. According to the WHO, certain people, including older adults and those with underlying conditions such as heart or lung disease or diabetes, are at higher risk for developing more serious complications from COVID-19.

In order to prioritize worker Health and Safety appropriate safety procedures and training in place before the start of each job and to create a workplace where anyone can raise a workplace safety issue or speak up if they have a safety concern.

The following steps should be practiced ensuring adequate safety at minimum.

- Ensure only fully trained and/or licensed personnel are involved in COVID-19 response activities.
- Ensure adequate supply of PPEs and other measures to ensure safe working conditions for all staff.
- For any high-risk activities (e.g. working on or near exposed live parts) use a Safe Work Method Statement that has been developed in consultation with the workers and is easily understood and followed and translated into Local Languages.

5.4 Management of E & S During CERC Component Implementation

Component 3 of the project is a Contingent Emergency Response Component (CERC). The project ESMF will be updated as soon as the scope of contingency component becomes better defined during project

implementation. In addition, a CERC Operations Manual will be prepared during project implementation to govern the operation of the component, this document will be aligned with the ESMF at the time of preparation and include provisions to ensure environmental and social due diligence in line with the requirements of the ESF. A list of typical positive and negative activities associated with CERC implementation is presented in Annex 1 of this ESMF as per the World Bank's template for CERC Operational Manuals.

6.0 STAKEHOLDER ENGAGEMENT, GRIEVANCE REDRESS AND INFORMATION DISCLOSURE

6.1 Communication and Disclosure

As detailed out in the SEP and consistent with the requirements for stakeholder engagement and taking into account COVID-19 related quarantine and lockdown measures, consultations will be carried out via online meetings (if physical meetings are not possible). The project's proposed communication campaigns and awareness raising will be done through social media, television, radio etc. The project and internal communication campaigns will have disclosed program processes and rules and also the grievance redress mechanism to address questions from beneficiaries will be setup. Further, project-specific information (e.g., ESMF, SEP, LMP, site-specific ESMPs), will be disclosed in MoED's website as well as World Bank's external website. A similar communication strategy will be adopted to create awareness on the skills training program which has been described in the SEP.

6.2 Stakeholder Engagement Plan

The project will adopt a coherent approach for engaging citizens and relevant stakeholders in project activities taking forward the learnings from the COVID-19 Emergency Income Support Project (CEISP). The design of the UI and ES programs will be carried out in a consultative and inclusive manner, including drafting regulations, establishing program rules and eligibility criteria and liaising with other government and non-government entities. For Component 1, a public awareness campaign will be launched on social and broadcast media to inform potential beneficiaries about the available Employability Services (ES) and to reach populations in remote Islands in the local language. In addition to harnessing social and traditional media for information disclosure and feedback, the PMU will reach out to local governments, workers' associations and island-level community groups including women's groups to spread the word about the ES program and collect feedback and suggestions. For the activities under Component 2, consultations that have already begun during the design the Unemployment Insurance (UI) will continue during the establishment of the UI fund and its administrative systems during project implementation. In addition to expanding the Job Center service centers, case managers will operate from island council offices, who will serve as a personal contact for beneficiaries of the UI and ES programs at the atoll levels to reach out to and proactively collect feedback from the local community including vulnerable groups and those without access to internet. The cadre of case managers, will collaborate with educational institutions and employers to address the needs of beneficiaries and create individualized programs. The SEP includes the in detail the specific measures that will be used for awareness as well as consultations covering activities under component 1 and 2.

The SEP outlines the characteristics and interests of the relevant stakeholder groups and timing and methods of engagement throughout the life of the project. The SEP prepared for this project supports clear

communication and meaningful consultation, considering the needs of various stakeholders while also adapting to the current social distancing requirements & travel restrictions put in place by the national government. In line with the provisions of the ESCP, the MoED will apply the SEP to engage stakeholders as needed and for public information disclosure purposes. Application of ESS10 stakeholder engagement and disclosure of information will be closely monitored by the PMU.

6.3 Grievance Redress Mechanism

The project will have two grievance mechanisms. One for labor-related grievance and the other for GRM for beneficiaries.

- **Labor Grievances** – This GRM can be used by Staff to lodge their complaints relating to any difficulties they face such as working environment, or conditions or unreasonable overtime. The focal point for this GRM will be the Social and Environmental Specialist. The mechanism for workers' GRM is described in detail in the LMP.
- **Beneficiary GRM** – The well functioning GRM used by the COVID-19 Emergency Income Support Project (CEISP) will be used by the SAILS project. Applicants can submit their grievances via the job centre portal or Government Callcenter (1500). The Safeguard team will ensure that grievances are dealt in a timely manner. The project will also comply with Covid19 Health and Safety guidelines and adopt a Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Code of Conduct for all project workers including training providers to comply with.

6.4 Beneficiary feedback

Just like in the CEISP, beneficiary feedback surveys will be conducted to obtain feedback on the level of satisfaction regarding the ES and the UI programs and understand areas to improve and strengthen the ES and UI programs. The Grievances Redressal Mechanism (GRM) that successfully operated for the CEISP, will be used for the SAILS project as well. The GRM that is incorporated into the Jobcenter website to promptly response to enquiries, suggestions and complaints from citizens and beneficiaries through the website and the available Information hotline. As in the CEISP, all grievances will be resolved within a two week period. Information provided will be treated as confidential and not disclosed at the individual level or in a manner that could identify individuals. GRM data will also be analyzed regularly to understand program & system issues, and the learnings will be used at the aggregate level for course correction to improve program operation. **The three beneficiary feedback indicators used for the project are (a) Beneficiary satisfaction with the UI program (percentage by gender), (b) Beneficiary satisfaction with the ES program and (c) Grievances addressed within two weeks (percentage).**

7.0 INSTITUTIONAL ARRANGEMENTS, RESPONSIBILITIES AND CAPACITY BUILDING

7.1 Institutional arrangements and responsibilities

The project will have two implementing agencies (IAs): the MoED and the MPAO. The MoED will be responsible for Components 1 and 3 and their respective Designated Accounts, as well as overall project management, liaison with the World Bank and other partners, monitoring and evaluation, and outreach. The MPAO will manage Component 2 and be the signatory for the respective Designated Account. A Memorandum of Understanding (MOU) will be signed between the MoED and the MPAO to ensure the roles and responsibilities under the project are clear. This will also be detailed in the Project Operations Manual (POM).

The PMU under the MoED which has gained experience in World Bank-financed projects through its successful leadership of the CEISP and indirectly as a co-implementing agency of the MEERY Project. During these projects, the MoED has improved its Financial Management (FM) and procurement capacity and demonstrated a strong willingness to follow Environmental and Social Safeguards (ESS) guidelines under the new Environment and Social Framework (ESF). Otherwise High for a project of this scope and ambition, this risk has been mitigated through sustained capacity building under the CEISP, which will continue through to the end of 2022 and help to design and initiate the establishment of the UBS. To further mitigate this risk, close support for the PMU will be provided by World Bank staff to ensure sufficient capacity at initial stages to ensure prompt implementation. The project will also finance a number of international consultancies to support the design and rollout of the program, lasting a number of years in order to give the government time to work out initial design issues and establish capacity to manage the program over the long term.

Accordingly, the institutional responsibilities and arrangements for project implementation will be as follows:

- **Project Management Unit** - The PMU's main role will be to ensure operational compliance as per the World Bank policies as defined in the Project Appraisal Document, Financing Agreement and Operations Manual and Government policies as applicable. The PMU will be led by a Project Director and will include a team of specialized staff responsible for project management, financial management, procurement, environmental and social safeguards. The PMU will recruit specialized consultants necessary for specific technical assistance for overall implementation activities. The PMU will liaise closely and ensure overall coordination of all Project entities to ensure necessary data and information are shared and collated for reporting to the stakeholders and the World Bank.
- **Ministry of Economic Development (MoED)**. The MoED has established a Project Management Unit (PMU) consisting of a Project Director, Deputy Project Director, Financial Management Specialist, Finance Manager, Finance Advisor, Procurement Specialist, Procurement Advisor, Environmental, Social Communications (E&S) Specialist, E&S Manager and a Monitoring and Evaluation Specialist. All of these positions will be filled with government consultants meeting the required qualifications during the implementation phase. Some of these consultants are jointly

supporting other projects, however formal assurances have been obtained by the MoED that they will have the time to provide the required support for this project.

- **Project Steering Committee (PSC)** – The Steering Committee will be chaired by the Minister of Economic Development, and have representation from senior officials from the MPAO, the Ministry of Finance (MoF), NSPA and the President’s Office. The Steering Committee will meet at least quarterly to review project progress and address any unresolved issues.
- **The Job Center** - The Job Center will be further developed under the project as a standalone agency within the MoED, and will be responsible for implementing the ES component. It will manage the program Management Information System (MIS) and an integrated Labor Market Information System (LMIS). This is illustrated in Figure 1, which shows how the Job Center will facilitate the matching of beneficiaries to training, counseling and job opportunities. The LMIS will provide the government with real-time data on availability of jobs by industry, number of active jobseekers, and other indicators such as the number of discouraged workers. It will also track outcomes of training provided under the program, through a network of accredited training providers (public and private), and publish these data in order to improve the quality and competitiveness of the Maldives vocational training sector.

Results Monitoring and Evaluation Arrangements:

- **The MoED will be responsible for project M&E, with oversight from the MoF.** The M&E Specialist will collect and maintain data needed to report on the Results Framework and other indicators as needed, following an M&E plan developed for this project and detailed in the POM. The MPAO will assist in M&E by providing system data from the UI program as required, and through the system interoperability to be developed under the project. The World Bank will support the M&E Specialist to define a coordination plan that documents timing and responsibility of participating institutions for reporting against indicators and milestones.
- **The M&E process will involve progress reports, project monitoring meetings with participating stakeholders, and implementation support missions by the World Bank team.** The MoED will provide quarterly reports on progress toward achieving the results indicators. The progress reports will be reviewed at meetings of the PSC, to take place at least quarterly. The World Bank task team will also hold quarterly project monitoring meetings and will conduct implementation support missions at least twice a year to review progress and help resolve implementation issues that may arise.

7.2 Institutional arrangement for implementation of the ESMF

- The MoED through the PMU established within it will be responsible for the full implementation of this ESMF. Specifically, the Environmental Specialist and Social Specialist at the PMU will be responsible for the implementation of all steps presented in the ESCP, ESMF, LMP and SEP of the project.
- The E&S team of the PMU will consist two staff: one E&S Communications Specialist as the lead, one E&S Managers. The E&S team at PMU will take the lead responsibility in ensuring

implementation of all steps presented in the Environmental and Social Management Framework (ESMF), the LMP and SEP.

- The E&S team will also be responsible for monitoring and reporting on compliance of due diligence mechanisms set forth in the ESMF and preparation of quarterly compliance summaries and formally communicating to the World Bank on environmental and social safeguard matters.
- In addition, all relevant personnel including PMU staff are expected to create awareness among all implementing partners on ESMF compliance, and any staff training necessary for its effective implementation.
- The safeguards budget for implementing the ESMF, SEP & LMP will be approximately \$100,000.

7.3 Roles and Responsibility of World Bank

- The World Bank project team, specifically the environmental and social safeguards specialists, will provide close supervision and technical support in the implementation of the ESMF, SEP & LMP.
- The specific tasks will include:
 - Ensure regular missions to review overall safeguard performance and provide further implementation support.
 - Share knowledge on technologies and best practices
 - Provide initial orientation training on ESF requirements for the project.
 - Provide training support on Bank's safeguard policies and requirements of the project.
- The PMU will be trained by the Environmental Specialist and Social Specialist of the WB project team on the ESMF implementation, World Bank ESF and procedural requirements of the WB.

7.4 Capacity building requirements for Implementation of ESF

Training Program	Target Audience	Conducted by	No. of trainings
ESF E-Learning Program- Online Modules	PMU Staff	Self-paced WB Online Module	Completed within one months post recruitment
ESF, ESMF, SEP and LMP Implementation Training: to cover World Bank environmental and social management procedures, consultation and monitoring during project implementation and reporting-(including a refresher) - Training for Trainers Modality	PMU Staff	World Bank E&S Specialists, E&S specialists/officers from other World Bank-supported projects	At least two programs
ESF, ESMF, SEP and LMP Implementation Training: to cover World Bank environmental and social management procedures, consultation and monitoring during project implementation and reporting- (including a refresher).	MoEd (job Center Staff), MPAO and other relevant Institutions	PMU and their E&S team.. E&S specialists/officers from other World Bank-supported projects	At least two programs
Occupational Health and Safety training	All project workers	PMU and their E&S team, Specialists/experts involved in the Maldives COVID-19 Emergency Response and Health Systems Preparedness Project (P173801).	At least one program
Handling inquiries, complaints and grievances related to the project.	MoEd (job Center Staff), MPAO and other relevant Institutions, Island council staff and social workers.	PMU and their E&S team, E&S specialists/officers from other World-Bank supported projects.	At least one program
Promoting awareness and detection of cases of gender-based violence.	Island council staff and social workers	PMU and their E&S team, Gender/GBV experts	At least one program

● Annex 1 Standard Positive & Negative List of Goods, Services and Works and Prohibited Activities as per the World Bank CERC Operational Manual Template

Table 4 of the CERC Operation Manuel Template
Positive list of goods, services and works *Needs to be discussed and agreed with the CERC implementing agency*

Item
Goods
<ul style="list-style-type: none"> ● Medical equipment and supplies ● Non-perishable foods, bottled water and containers ● Tents for advanced medical posts, temporary housing, and classroom/daycare substitution ● Equipment and supplies for temporary housing/living (gas stoves, utensils, tents, beds, sleeping bags, mattresses, blankets, hammocks, mosquito nets, kit of personal and family hygiene, etc.) and school ● Gasoline and diesel (for air, land and sea transport) and engine lubricants ● Spare parts, equipment and supplies for engines, transport, construction vehicles ● Lease of vehicles (Vans, trucks and SUVs) ● Equipment, tools, materials and supplies for search and rescue (including light motor boats and engines for transport and rescue) ● Tools and construction supplies (roofing, cement, iron, stone, blocks, etc.) ● Equipment and supplies for communications and broadcasting (radios, antennas, batteries) ● Water pumps and tanks for water storage ● Equipment, materials and supplies for disinfection of drinking water and repair/rehabilitate of black water collection systems ● Equipment, tools and supplies for agricultural, forestry, and fisheries ● Feed and veterinary inputs (vaccines, vitamin tablets, etc.) ● Construction materials, equipment and industrial machinery ● Water, air, and land transport equipment, including spare parts ● Temporary toilets ● Groundwater boreholes, cargos, equipment to allow access to affected site, storage units ● Any other item agreed on between the World Bank and the Recipient (as documented in an Aide-Memoire or other appropriate formal Project document)
Services
<ul style="list-style-type: none"> ● Consulting services related to emergency response including, but not limited to urgent studies and surveys necessary to determine the impact of the disaster and to serve as a baseline for the recovery and reconstruction process, and support to the implementation of emergency response activities ● Feasibility study and technical design; ● Works supervision ● Technical Assistance in developing TORs, preparing Technical Specifications and drafting tendering documents (Bidding Documents, ITQ, RFP). ● Non-consultant services including, but not limited to drilling, aerial photographs, satellite images, maps and other similar operations, information and awareness campaigns

<ul style="list-style-type: none"> ● Non-consultant services to deliver any of the activities described in the “Goods” section of this table (e.g., debris removal, dump trucks, drones survey)
<p>Works</p>
<ul style="list-style-type: none"> ● Repair of damaged infrastructure including, but not limited to water supply and sanitation systems, dams, reservoirs, canals, roads, bridges and transportation systems, energy and power supply, telecommunication, and other infrastructure damaged by the event ● Re-establish of the urban and rural solid waste system, water supply and sanitation (including urban drainage) ● Repair of damaged public buildings, including schools, hospitals and administrative buildings ● Repair, restoration, rehabilitation of schools, clinics, hospitals ● Removal and disposal of debris associated with any eligible activity.
<p>Training</p>
<ul style="list-style-type: none"> ● Conduct necessary training related to emergency response including, but not limited to the Implementation of EAP ● Training on rapid needs assessment and other related assessments
<p>Emergency Operating Costs</p>
<ul style="list-style-type: none"> ● Incremental expenses by the Government for a defined period related to early recovery efforts arising as a result of the impact of an eligible emergency. This includes, but is not limited to costs of staff attending emergency response, operational costs and rental of equipment

The following uses for goods and equipment financed by the CERC are prohibited, which also applies to use and storage for DRM-related activities including hazard monitoring, disaster preparedness, and future response to natural disasters *Needs to be discussed and agreed with the CERC implementing agency.*

- i. Activities of any type classifiable as Substantial and High Risk pursuant to the Association's Environmental and Social Framework.
- ii. Activities that would lead to conversion or degradation of critical forest areas, critical natural habitats, and clearing of forests or forest ecosystems
- iii. Activities affecting protected areas (or buffer zones thereof), other than to rehabilitate areas damaged by previous natural disasters.
- iv. Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land)
- v. Land clearance and leveling in areas that are not affected by debris resulting from the eligible crisis or emergency
- vi. River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel)
- vii. Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households' use of land and livelihoods
- viii. Construction of new roads, realignment of roads, or expansion of roads, or rehabilitation of roads that are currently located on communal lands but will be registered as government assets after rehabilitation

- ix. Use of goods and equipment on lands abandoned due to social tension / conflict, or the ownership of the land is disputed or cannot be ascertained
- x. Use of goods and equipment to demolish or remove assets, unless the ownership of the assets can be ascertained, and the owners are consulted
- xi. Uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor
- xii. Uses of goods and equipment for activities that would affect indigenous peoples, unless due consultation and broad support has been documented and confirmed prior to the commencement of the activities
- xiii. Uses of goods and equipment for military or paramilitary purposes
- xiv. Uses of goods and equipment in response to conflict, in any area with active military or armed group operations
- xv. Activities related to returning refugees and internally displaced populations
- xvi. Activities which, when being carried out, would affect, or involve the use of, water of rivers or of other bodies of water (or their tributaries) which flow through or are bordered by countries other than the Borrower/Recipient, in such a manner as to in any way adversely change the quality or quantity of water flowing to or bordering said countries.

G – E and S Compliance

1. All activities financed through the CERC are subject to World Bank safeguards policies, keeping in mind that paragraph 12 of the [IPF Policy](#) applies once the CERC is triggered. The ESMF of the Project should include a section on the CERC, to align with the ERM, and to supplement the existing Project’s environmental and social safeguards instruments, where needed⁸. This “CERC-ESMF” will outline a screening process built around the positive list for key environmental and social issues and risks. This will be linked to identifying institutional arrangements for oversight of any required additional Environmental and Social (E&S) due diligence and monitoring. In addition, the CERC-ESMF will include generic emergency civil works “sector” guidance identifying key E&S issues with practical Environmental and Social Management Plan (ESMP) type checklists. All activities financed through the CERC are subject to the WB’s Environmental, Health and Safety (EHS) Guidelines⁹.
2. Content of the CERC section in the Project ESMF will include:
 1. Description of the potential emergencies and the types of activities likely to be financed;
 2. Potential risks and general mitigation measures associated with the potential activities;
 3. Identification of Vulnerable locations and/or groups;
 4. Environmental and Social Assessment (screening) and the environmental and social requirements (studies, plans, etc.) to comply with the Bank’s requirements and the national law;
 5. An ECOP (Environmental Code(s) of Practice) for the positive list of goods;
 6. Assessment to guide emergency responses (e.g. what existing social conflicts could be exacerbated by an emergency); and
 7. Institutional arrangements for environmental and social due diligence and monitoring.

Activities financed under the CERC will be limited to provision of critical goods and services, as well as rehabilitation and reconstruction of damaged infrastructure outlined in a positive list in this ERM (Table

⁸ A sample CERC section to the Project’s ESMF is in Annex 9 of this manual

⁹ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines

- 4). Land acquisition leading to involuntary resettlement and/or restrictions of access to resources and livelihoods is not anticipated. It is further not anticipated to support activities which might have adverse impacts on ethnic groups considered indigenous people under the World Bank's Operational Policy on indigenous people (OP 4.10). It is also unlikely that changes to the existing safeguards instruments of the project will be required. However, if necessary, the safeguards instruments will be updated if the EAP do not fall within the scope of the existing instruments. It is unlikely that emergency works will trigger new safeguards policies, however, if required, new instruments will be prepared, consulted upon and disclosed; per the requirements of the Bank's Investment Financing Policy, a restructuring would be prepared. CERC implementing agency through the environmental and social specialist, will identify based on the activities and works proposed in the EAP, the potential environmental and social negative impacts, and the studies or plans required for the environmental and social management. This will be done by completing the Environmental and Social Screening, annexed to the ESFM, from for each activity.
3. In the case of the procurement of works requirement the mobilization of civil works contractors, the bidding documents will include standard codes of conduct for workers and supervisors, specifying appropriate conduct and sanctions related to community relations, gender-based violence, child protection, human trafficking, and sexual exploitation and abuse.

● Annex 2: Resource List

Given the COVID-19 situation is rapidly evolving, a version of this resource list will be regularly updated and made available on the World Bank COVID-19 operations intranet page (<http://covidoperations/>).

WORLD BANK GROUP GUIDANCE

- [Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings](#), issued on March 20, 2020
- [Technical Note on SEA/H for HNP COVID Response Operations, issued in March 2020](#)
- [Interim Advice for IFC Clients on Preventing and Managing Health Risks of COVID-19 in the Workplace](#), issued on April 6, 2020
- [Interim Advice for IFC Clients on Supporting Workers in the Context of COVID-19](#), issued on April 6, 2020
- [IFC Tip Sheet for Company Leadership on Crisis Response: Facing the COVID-19 Pandemic](#), issued on April 6, 2020
- [Environmental, Health, and Safety Guidelines](#)

ILO GUIDANCE

- [ILO Standards and COVID-19 FAQ](#), issued on March 23, 2020 (provides a compilation of answers to most frequently asked questions related to international labor standards and COVID-19)

MFI GUIDANCE

- [KFW DEG COVID-19 Guidance for employers, issued on March 31, 2020](#)
- [CDC Group COVID-19 Guidance for Employers](#)

WHO Guidance

Advice for the public

- WHO advice for the public, including on social distancing, respiratory hygiene, self-quarantine, and seeking medical advice, can be consulted on this WHO website:
<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>

Technical guidance

- [Infection prevention and control during health care when novel coronavirus \(nCoV\) infection is suspected](#), issued on March 19, 2020
- [Recommendations to Member States to Improve Hygiene Practices](#), issued on April 1, 2020
- [Key considerations for repatriation and quarantine of travelers in relation to the outbreak COVID-19](#), issued on February 11, 2020
- [Preparedness, prevention and control of COVID-19 for refugees and migrants in non-camp settings](#), issued on April 17, 2020
- [Coronavirus disease \(COVID-19\) outbreak: rights, roles and responsibilities of health workers, including key considerations for occupational safety and health](#), issued on March 18, 2020

- [Risk Communication and Community Engagement \(RCCE\) Action Plan Guidance COVID-19 Preparedness and Response](#), issued on March 16, 2020
- [Operational considerations for case management of COVID-19 in health facility and community](#), issued on March 19, 2020
- [Rational use of personal protective equipment for coronavirus disease 2019 \(COVID-19\)](#), issued on February 27, 2020
- [Getting your workplace ready for COVID-19](#), issued on March 19, 2020
- [Water, sanitation, hygiene and waste management for COVID-19](#), issued on March 19, 2020
- [Advice on the use of masks in the community, during home care and in healthcare settings in the context of the novel coronavirus \(COVID-19\) outbreak](#), issued on March 19, 2020
- [Disability Considerations during the COVID-19 outbreak](#), issued on March 26, 2020