

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDIA
AND
THE GOVERNMENT OF THE REPUBLIC OF MALDIVES
FOR
IMPLEMENTATION OF GREATER MALE' CONNECTIVITY
PROJECT**

Government of the Republic of India (GoI) and Government of the Republic of Maldives (GoM), hereinafter jointly referred to as the "Parties";

TAKING INTO CONSIDERATION the historical, close and friendly relations between the two neighbouring countries and their people,

RECOGNISING the "India First" policy of GoM and the "Neighbourhood First" policy of GoI,

RECALLING the assistance extended in the past by GoI to GoM for the social and economic development of the Maldives,

RESPONDING to the specific request by GoM seeking India's assistance for the Greater Male' Connectivity Project,

DESIROUS of further strengthening cooperation in the infrastructure development in the Maldives,

Have reached the following understanding:

ARTICLE I
Objective

1.1 GoI shall assist GoM in the implementation of the Greater Male' Connectivity Project, hereinafter referred to as the "Project", involving the construction of a 6.73 km long bridge and causeway links between the Islands of Malé, Villingili, Gulhifalhu and Thilafushi in the Maldives.



1.2 The total estimated cost of the project as assessed in the Detailed Project Report (DPR) prepared by ARUP Limited, is approximately US\$ 550 million. The financial assistance from GoI for implementation of the project would be limited to US\$ 100 million grant and US\$ 400 million Line of Credit (LoC), or actual cost of the project, whichever is less. GoM shall bear all costs, over and above the agreed financial assistance by GoI, including due to higher tendered cost, escalation, time & cost overruns, change in scope & specifications of projects or any other reason. A separate Agreement for extending the LoC (LoC Agreement) has been signed between EXIM Bank of India and GoM on 12 October, 2020 in Malé.

1.3 The Ministry of National Planning, Housing and Infrastructure of Maldives (MoNPHI) will be the Nodal Agency on behalf of GoM for matters related to the implementation of the Project.

ARTICLE II

Scope

2.1 The planning and designing of the Project has been carried out in accordance with the requirements of GoM and as contained in the DPR, which has been prepared at GoM cost. The Scope of the project and design will not undergo major changes during implementation unless necessitated due to technical reasons with due concurrence of both the Parties.

2.2 ARUP Limited has also been nominated as the Project Management Consultant for the Project by GoM and their services will be paid for by GoM.

2.3 Indian firms will be selected as exclusive Contractor(s) for executing the project in accordance with the requisite tendering procedures of GoM, and in accordance with the LoC Agreement.

ARTICLE III

Joint Project Monitoring Committee

3.1 In order to conduct joint review of project activities, monitor implementation and ensure smooth implementation of the project, a Joint Project



Monitoring Committee (JPMC) comprising representatives of both the Parties will be constituted within one month from the signing of this Memorandum of Understanding (MoU). The JPMC will meet at least once every two months. The JPMC shall comprise:

1. Minister of National Planning, Housing and Infrastructure of GoM (Co-chair)
2. High Commissioner of India to the Maldives (Co-chair)
3. Representative of Ministry of National Planning, Housing and Infrastructure of GoM (Member Secretary) to be nominated by GoM
4. Representative(s) of Ministry of Foreign Affairs, GoM
5. Representative(s) of Ministry of Finance, GoM
6. Representative of Development Partnership Administration-I Division, MEA, GoI
7. Representative of Development Partnership Administration-III Division, MEA, GoI
8. Representative of Indian Ocean Region Division, MEA, GoI
9. Representative of Integrated Finance Division, MEA, GoI
10. Representatives of Project Management Consultant (as advisor)
11. Any other member co-opted by JPMC for consultations, as required

3.2 The JPMC will report on the progress of the Project and its evaluation to the two Governments periodically.

3.3 The JPMC will recommend to GoI the release of specified amounts from the grant portion of Indian assistance in accordance with milestones mentioned in the Contract(s) signed between GoM and Contractor(s). The grant amounts will be paid to the Contractor(s) directly by GoI, based on the utilization of previously released cumulative funds and proportionate physical progress.

3.4 The release of loan and grant amount will be in the ratio of 4:1, in a financial year. In all cases, the loan amount will be disbursed first.

3.5 The Consultant forming part of the JPMC shall have no vote during meetings and deliberations of the JPMC.



ARTICLE IV
Responsibilities of GoM

4.1 No funds provided by GoI will be used towards payment of any taxes.

4.2 GoM shall provide the following facilities to the Contractor(s):

4.2.1 Full assistance to the Contractor(s) in accordance with the LOC Agreement, the Contract(s) between the Contractor(s) and GoM, and this MoU pertaining to the Grant Assistance Component.

4.2.2 Make available to the Contractor(s), at the earliest, the land required for the project, free of cost and free from all physical and legal encumbrances. The work will be commenced by the contractor(s) only when the land required for the project is allocated by GoM. GoM will facilitate the provision of bulk electricity and water supply for the project, in accordance with the Contract(s) between the Contractor(s) and GoM.

4.2.3 Shall facilitate settlement of all disputes, compensation claims etc relating to the implementation of the project.

4.2.4 Normal security to the personnel deployed by the Contractor(s) and their teams and at related Project sites to enable smooth implementation of the Project.

4.3 GoM will undertake, at its cost, the initial Environmental Impact Assessment (EIA) studies, as required, and secure approval of the authorities concerned in Maldives prior to commencement of work by the Contractor(s).

4.4 GoM shall facilitate all administrative, environmental, legal, technical and other clearances, as necessary for the implementation of the Project, most expeditiously, without delay and without any financial implication to GoI, as requested by the Contractor(s).

4.5 GoM will issue visa and work permits expeditiously to the administrative, technical and other personnel involved in implementation of the Project.

4.6 GoM will exempt Contractor(s) from payment of taxes and levies etc. as



specified in the LoC Agreement and Contract(s) between the Contractor(s) and GoM.

4.7 GoM shall provide exemption of Customs Duty and other fees payable to the customs office by Contractor(s) to import construction materials, machinery and equipment to Maldives, as specified in the LoC Agreement and Contract(s) between the Contractor(s) and GoM. The Nodal Agency shall facilitate the approval process for exemption.

ARTICLE V

Applicable Law

The Indian nationals deployed by the Contractor(s) and working on the Project will, for the purpose of the MoU, at all times, respect the laws of Maldives. However, to the extent possible, under the laws of the Maldives, no suit, proceedings, except in case of gross negligence or willful misconduct, will be instituted against any such person for anything done or purported to be done in good faith, in the course of discharging their official duties for the successful and expeditious implementation of the project.

ARTICLE VI

Completion of the Project

After completion of the project and with the JPMC's approval, the project and all other assets created under the project will be handed over to GoM. The JPMC will cease to exist after the handing over.

ARTICLE VII

Settlement of disputes

Any differences concerning the interpretation, implementation or application of any provision of this MoU will be resolved through mutual consultations or negotiations between the Parties and will be recorded through

exchange of letters.

ARTICLE VIII

Effect and Duration

This MOU will come into effect from the date of its signing and will remain valid until the handing over of the Project. If required, the validity of the MoU will be extended by mutual consent of the Parties through exchange of letters through diplomatic channels.

ARTICLE IX

Amendment

The MoU may be extended, amended or modified at any time by mutual written consent of the Parties by exchange of letters through diplomatic channels. Any annexure or addendum under the MoU will form an integral part of the MoU.

In WITNESS WHEREOF the undersigned being duly authorized thereto by their respective Governments, have signed this Memorandum of Understanding.

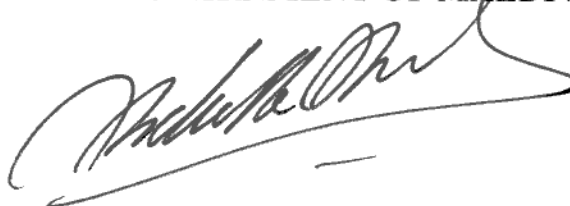
Signed in Male' on this 9th day of November 2020 in the two originals in English language.

**FOR, AND ON BEHALF OF THE
GOVERNMENT OF INDIA**



**SUNJAY SUDHIR
HIGH COMMISSIONER OF INDIA**

**FOR, AND ON BEHALF OF THE
GOVERNMENT OF MALDIVES**



**ABDULLA SHAHID
MINISTER OF FOREIGN AFFAIRS**