

Development  
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Brief

# Maldives

Maldives and ADB: Linking Islands





ADB

Development  
**Effectiveness**  
Brief

# Maldives▶

Maldives and ADB: Linking Islands

Asian Development Bank

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# Contents

<b>Maldives Development Indicators</b>	<b>iv</b>
<b>Maldives and ADB: Connecting Communities</b>	<b>1</b>
<b>ADB's Contribution to Development and Poverty Reduction</b>	<b>4</b>
Education: Founding a New University	5
Transport and Information and Communication Technology: Closing the Gaps	7
Tsunami Emergency Assistance: Build Back Better	9
Energy: Providing Uninterrupted Supply	11
Public Sector Management: Managing Finances	12
Multisector: Servicing Outer Islands	13
<b>Operational Effectiveness: Improving Performance</b>	<b>15</b>
<b>Future Challenges</b>	<b>16</b>

# Maldives

## Development Indicators

### Non-Millennium Development Goals

Population (million) (2011)	0.32
Annual population growth rate (%) (2012)	1.28
Population in urban areas (%) (2011)	0.13

### Millennium Development Goals

Population living on less than \$1.25 a day (%)	–
Population living below the national poverty line (%) (2010)	15.0
Adult literacy rate (%) (2007)	97.0
Population using an improved drinking water source (%)	–

– = not available.

Source: World Bank. 2012. World Development Indicators Database.

# Maldives and ADB: Connecting Communities

The Maldives has the highest real per capita income among countries in South Asia, driven largely by its luxury tourism industry. However, 15% of the population of about 330,000 (excluding foreign nationals) still lives below the national poverty line, and there are broad income disparities between the capital, Malé, and the outer atolls.

The country consists of over 1,100 islands stretching 900 kilometers north to south, but only Malé has a population of more than 10,000 and only 15 islands have a population of more than 2,000. There is little available

land for agriculture while freshwater resources are also limited. With a highest point of just over 2 meters above sea level, the country is extremely vulnerable to natural disasters and climate change.

The devastating tsunami of December 2004 caused losses equivalent to about 62% of the country's total gross domestic product (GDP). The rising of ocean levels linked to the effects of global warming presents a threat to the country's very existence, a point made starkly clear in 2009 when the government held a cabinet meeting underwater.



Ahmed Zahid

The low-lying islands of the Maldives are highly vulnerable to rising sea levels linked to climate change

Despite these hurdles, annual GDP growth has averaged about 10% since the mid-1970s, coming in at 7.5% in 2011, driven by the booming tourism sector, construction, and fisheries. Five of the eight Millennium Development Goals have been achieved, or are on track to be realized before 2015. In January 2011, the Maldives was officially categorized as a middle-income country.

Since joining the Asian Development Bank (ADB) in 1978, the Maldives has received ADB assistance of \$170.8 million for 22 loan and grant projects (as of December 2012), spread across nine sectors (with public sector management, transport and information and communication technology, and energy accounting for nearly two-thirds of the funds). All assistance has come from ADB's Asian Development Fund (ADF), a concessional financing window for developing member countries.

ADB's assistance has been targeted at priorities identified by the government in its own national development plans, including economic growth, social equity, environmental protection, private sector development, good governance, and recovery and reconstruction in the wake of the 2004 tsunami.

ADB-assisted projects, most of which were implemented or were ongoing between 2002 and 2010, have upgraded the country's commercial and domestic harbors and strengthened the quality of power supplies to the capital and the outer islands to boost

growth and reduce regional economic disparities. Assistance has been provided for the information and communication technology sector, resulting in increased competition and improved connectivity. In education, a postsecondary education development project laid the groundwork for the first university in the country. ADB also helped the country get back on its feet after the 2004 tsunami with emergency assistance.

Under its country partnership strategy for 2007–2011, the ADB-assisted Economic Recovery Program contributed to the introduction of a goods and services tax in January 2011, which has helped to broaden and increase government revenue. The country partnership strategy also focused on capacity development assistance to strengthen the government's ability to efficiently manage public expenditure and to create an enabling environment for private sector development.

ADB's multilateral development partners in the Maldives include the World Bank, the International Monetary Fund, the United Nations Development Programme, the Islamic Development Bank, and the European Investment Bank, and it also works with bilateral donors, such as the Japan Bank for International Cooperation.

Cofinancing support for ADB operations as of the end of 2011 totaled \$4.7 million, including three investment projects and two technical assistance projects.

**Loan and Grant Approvals (\$ million)**

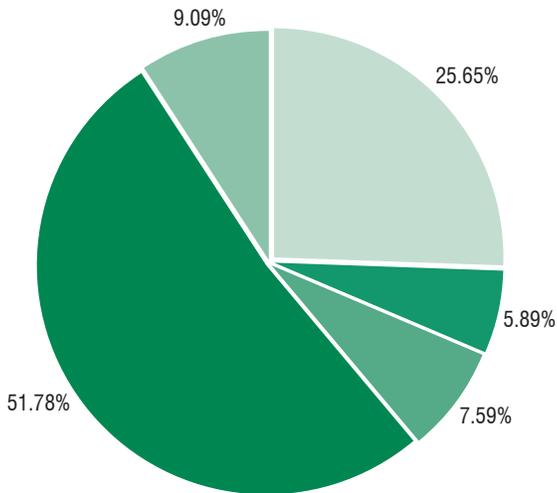
1981–2006	2007	2008	2009	2010	2011	Dec 2012
111.48	5.33	7.50	36.50	–	–	9.95

**Loan Disbursements (\$ million)**

8.59	6.90	5.30	25.90	7.06	19.93
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– = no approvals for the year.

**Sector Distribution of Active Loans and Grants Portfolio**  
(as of December 2012)



- Finance, Industry and Trade
- Education
- Transport and Information and Communication Technology
- Public Sector Management
- Water Supply and Other Municipal Infrastructure and Services

**ADB-assisted projects have upgraded the country's commercial and domestic harbors and strengthened the quality of power supplies to the capital, Malé, and the outer islands to boost growth and reduce regional economic disparities**

# ADB's Contribution to Development and Poverty Reduction

The Indian Ocean archipelago suffers from many of the development challenges typical of scattered island states: a narrow economic base, government capacity constraints, and communication difficulties. While there is a heavy reliance on expatriate workers, who number over 75,000, local unemployment is high, particularly among the youth.

Over the past decade, the economy has been confronted by many external shocks, including a slump in prices for its valuable tuna commodity, spikes in the cost of imported fuel and food, and volatility in visitor numbers caused by events such as the 11 September 2001 attacks in the United States and the global financial crisis of 2008. A sharp rise in government spending after the tsunami, as well as an expansion in civil service and social service costs, has led to an increasingly unsustainable fiscal deficit.

In response to these challenges, multilateral development agencies, including ADB, contributed loan and grant assistance totaling almost \$590 million between 2005 and 2010, with bilateral development partners contributing over \$135 million in the same period.<sup>1</sup>

ADB was the country's lead multilateral development partner prior to 2004, providing

over 12% of total development assistance from 1994 to 2004. With its share from 2006 to 2011 at nearly 8%, ADB became the Maldives' second-largest multilateral contributor. It has been a major provider of external assistance for the postsecondary education sector; has been a large external contributor to the power sector, with assistance of more than \$30 million; and has also played the leading development agency role in maritime transport improvements.

Project completion reports for 2005–2011 show that ADB trained over 2,470 teachers while over 22,000 students benefited from school improvement programs. It installed electricity generating capacity of nearly 26 megawatt equivalent, providing 930 households with new power connections, while road upgrades benefited 40,000 people. Sixty households received new sanitation connections.

**ADB was the country's lead multilateral development partner prior to 2004, providing over 12% of total development assistance from 1994 to 2004**

<sup>1</sup> Figures tallied by adding total loan and grant assistance figures for multilateral and bilateral donors listed on p.14 of the 2011 Country Assistance Program Evaluation report for the Maldives.

## Development Outputs from ADB-Supported Projects

Core Sector Outputs	Outputs Achieved (2005–2011)
<b>Education</b>	
Classrooms built or upgraded (number)	2
Teachers trained (number)	2,478
Students benefiting (number)	22,776
<b>Energy</b>	
Energy generation capacity installed (MW equivalent)	26
Distribution lines installed or upgraded (km)	20
Additional households connected to electricity (number)	930
<b>Transport</b>	
National, provincial, district, and rural roads built or upgraded (km)	14
Beneficiaries of road projects (number)	40,000
<b>Water</b>	
Households served with new sanitation connections (number)	60

km = kilometer, MW = megawatt.

Note: Outputs delivered were based on project completion reports circulated in 2005–2011.

Source: Asian Development Bank estimates.

## Education: Founding a New University

ADB has been a substantial provider of external assistance for postsecondary education with over \$14 million in loan, grant, and technical assistance to the sector. The other key multilateral development partner, working elsewhere in the sector, is the World Bank.

The Postsecondary Education Development Project (ADF loan \$6.3 million equivalent), which ran from 1999 to 2007, paved the way for the creation of the Maldives College of Higher Education—now the Maldives National University—by rationalizing the operations of seven ministry-based institutions. A national quality assurance framework to develop curricula and courses of international standard was set up, the Maldives Accreditation Board was established, 46 full-time teaching staff received overseas fellowships or regional study assistance to develop skills, and an internationally recognized software system for

full management of student information was put in place.

A central administration building, a student dormitory and study center, a language and computer laboratory, and a lecture theater were established, benefiting thousands of students. The project also supported the development of programs at three outreach campuses in outer atolls, with funding assistance for trainee teachers to help establish courses there.

“People now have confidence in higher education, that we have the ability to run courses of international standard,” said Hussain Haleem, deputy vice-chancellor, Administration and Finance, Maldives National University. “Before the College of Higher Education, there were no degree programs. Now every faculty runs them, and we offer master’s and even PhD programs for some.”

At project completion, the college was producing an average of 1,200 graduates a year, with females making up nearly 60% and students from outer atolls about 85% of the total—considerably higher than the original targets of 45% and 50%, respectively.



Ahmed Zahid

Females are well represented in the student body at the Maldives National University

Diploma graduates at project closing totaled 3,167, with more than 60% female, while certificate graduates totaled almost 5,000 with more than 50% female.

ADB also provided a \$6 million ADF loan in 2003 for the Employment Skills Training Project, which ran from August 2004 to February 2012, and aimed to get more Maldivians into work. Key parts of the labor force, including tourism and construction, are dominated by expatriate workers, while many Maldivians, especially women and youths, are excluded, due to a range of factors such as limited access and skills training.

The project, which established technical vocational skills training programs focused on five key sectors (transport, tourism, fishing and agriculture, social sector, and construction), was broadly successful, training 5,829 youths—of whom 38.5% were women—out of a target of 6,000.

“It helped pave the way for students to go into technical and vocational jobs, with about

75% of those in the programs absorbed into the labor force, although not always into the areas in which they trained,” said Mariyam Noordeen, assistant executive director of the Technical and Vocational Education and Training Authority.

Estimates indicate that the labor participation rate in the country increased from 59.1% in 2003 to 65.3% in 2009. At project completion, the estimated participation rate of women in the workforce was about 59% in 2012, up from 16% in 2000.

**The Postsecondary Education Development Project, which ran from 1999 to 2007, paved the way for the creation of the Maldives College of Higher Education—now the Maldives National University**

## Transport and Information and Communication Technology: Closing the Gaps

Weak communications, congested port facilities in Malé, and inadequate interisland transport services have been a serious drag on the Maldives, undermining government efforts to reduce development disparities between the capital and the outer islands.

ADB, with total sector assistance of \$32.6 million, has been the leading donor in maritime transport, and its interventions over more than 20 years have reduced capacity constraints at ports, resulting in a tenfold increase in international and interisland cargo

handling capacity. Its projects have sharply increased vessel turnaround times at both the commercial and domestic harbors in Malé.

ADB's port projects did not have external cofinanciers, but other development partners in the transport sector include the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, the Islamic Development Bank, and Agence Française de Développement.

At the commercial harbor—the gateway for the country's imports and exports—ADB funded a new wharf and freight loading, handling, and storage facilities. Before the start of the Second Malé Port Project (1993–1998, ADF loan \$8.8 million), annual cargo throughput totaled 273,000 freight tons, with the amount rising to 855,000 freight tons at completion in 1999—more than double the forecast. In 2011, throughput was over 1 million freight tons.

The average turnaround time for foreign cargo vessels fell from over 18 days in 1991 to just



Ahmed Zahid

A ship berthed at the ADB-funded commercial harbor wharf in Malé

over 11 in 1997, and has been slashed to just over 2 days as of 2011. The wharf has also cut time and costs linked to double handling of cargo, with decreased need for smaller boats (lighters) to transfer freight from ships to shore.

“We estimate that losses and damage have been reduced by as much as 30%–40%,” said Ali Ahmed, general manager and head of operations at Maldives Ports, the operator of the commercial and domestic ports.

The container facilities have allowed increased exports of canned, frozen, and dried fish, as well as the development of a thriving trade in increasingly valuable scrap metal, which is sold in India for recycling.

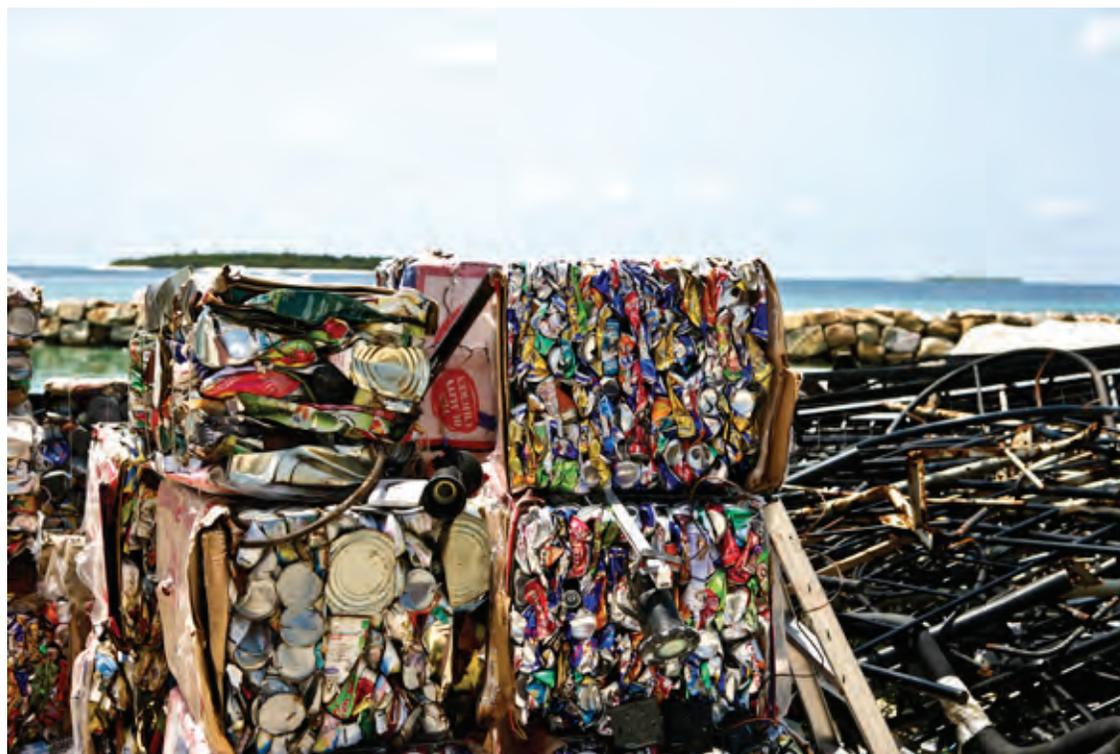
ADB also financed a new quay and onshore facilities in the adjacent North Harbor, which is the main hub for the distribution of goods to the rest of the country. Before the Domestic Maritime Transport Project (2007–2011, ADF loan \$5.3 million), limited berthing capacity

caused long delays in freight handling and boat movements, often resulting in spoilage of fresh goods and increased costs.

“The vessel turnaround time has vastly improved. Before, they had to queue for a week to 10 days; now it has been brought down to about 5 days or less,” said Abdul Nasir Mohamed, deputy director general of the Maldives Transport Authority. “This also means cost reductions for the boat owners, because there are shorter waiting times for the crews they hire.”

The port improvements coincided with strong GDP growth, which averaged 6.3% in real terms between 1991 and 1998, while GDP per capita doubled over the same period.

The Information Technology Development Project has led to increased sector competition, improved connectivity and reduced internet charges to support greater regional integration and better business communications.



Island communities are earning cash for trash by recycling scrap metal

Ahmed Zahid



Ahmed Zahid

An ADB-funded wharf at Malé's domestic North Harbor

Under the Information Technology Development Project (2002–2009, ADF loan \$9.5 million equivalent), a national computer center and 20 internet kiosks for the public were established and telecommunications regulatory reforms were carried out. Over 100 government offices and 20 outer atolls are now linked by fiber optics and microwave technology, while internet charges have been reduced from about \$108.70 equivalent for 1,000 megabytes in 2007 to just over \$13.00 in 2011.

**ADB-assisted port projects have sharply reduced capacity constraints at ports, resulting in a tenfold increase in international and interisland cargo handling capacity**

## Tsunami Emergency Assistance: Build Back Better

On 26 December 2004, a massive undersea earthquake with its epicenter off Sumatra in Indonesia triggered a series of devastating tsunami waves across the Indian Ocean. The low-lying Maldives was not spared. More than 80 people died, about 1,300 were injured, and 39 islands suffered heavy damage. Losses were estimated at about \$470 million—equivalent to over 60% of GDP.

In the aftermath, the donor community, including ADB, the International Committee of the Red Cross, the United Nations Development Programme, the World Bank, the European Union, and the Japan Bank for International Cooperation, moved quickly to put together an aid package to help the country get back on its feet.

ADB's contribution included a \$20 million grant from the Asian Tsunami Fund, an ADF loan of about \$1.8 million and technical assistance, including a \$1 million grant from the Japan Fund for Poverty Reduction. Under the Tsunami Emergency Assistance Project, which ran from 2005 to 2008, ADB provided quick-disbursing funds for the purchase of imported materials and equipment, helped repair and upgrade damaged infrastructure, and supported livelihood restoration, particularly in the fisheries sector.

Six electricity supply systems were rebuilt or installed, benefiting 430 households. One sewage treatment system was built on Guraidhoo Island of Thaa Atoll benefiting 325 households, and close to 1,000 fishers

**The support from ADB, along with that from other donors, saw the economy recover quickly, with real GDP growth rebounding sharply in 2006 after declining by 4.7% in 2005**

benefited from training programs and new equipment.

A key harbor on Dhidhdhoo Island of Haa Alif Atoll in the far north of the country was upgraded with environmental protection elements, including long-lasting rock in seawalls and steel piling for the quay. This has allowed larger supply vessels to dock, resulting in time and cost savings, while the number of fishing boats using the facility has more than tripled compared to 2005 levels.

The support from ADB, along with that of other donors, saw the economy recover quickly, with real GDP growth rebounding sharply in 2006 after declining by 4.7% in 2005.



Ahmed Zahid

ADB financed a new wharf on Dhidhdhoo Island after the 2004 tsunami

## Energy: Providing Uninterrupted Supply

Unreliable, intermittent, and inadequate power supplies in Malé and the outer islands have been a major constraint to growth and economic opportunities in the past and also undermine quality of life, especially on poor, remote islands.

In response, ADB has provided total assistance of \$31.1 million and is one of the major multilateral donors in the sector.

In Malé, ADB provided ADF loans totaling over \$22 million for three power system development projects. The Second Power System Development Project (1992–1996, \$9.2 million loan) increased total generating

capacity in the capital by 7,940 kilowatts, resulting in an end to power restrictions and blackouts, and provided 3,000 new resident connections. The need for additional capacity was shown by a rise in electricity consumption of 13.5% a year between 1991 and 1997.

The Third Power System Development Project (1997–2004, \$7 million loan), which received cofinancing of \$5.1 million from the Nordic Development Fund and \$4.72 million from Danida, added an additional 12 megawatts of generating capacity for Malé, developed an 11-kilovolt distribution system, and boosted the technical and managerial capabilities of State Electric Company Ltd.

The Outer Islands Electrification Sector Project (2002–2009, ADF loan \$8 million equivalent) provided new or upgraded diesel-fueled power systems on 19 islands, serving about 5,700 households, or almost 29,000 people. The systems have improved



Ahmed Zahid

ADB-funded power generation sets are improving lives in remote communities



Ahmed Zahid

Fathima Mohamed from Baarah Island says a regular power supply allows her son-in-law to run a small tailoring business

the reliability and quality of electricity supply, resulting in opportunities for residents in new businesses such as restaurants, small shops, and guesthouses.

The sector assistance coincided with a significant economic expansion in the Maldives, with non-tourism-related GDP growing at a compounded annual rate of 8.5% between 2002 and 2008. Since tourist resorts have their own generator sets, this GDP growth can be partly attributed to the improved power supply.

**The Second Power System Development Project increased total generating capacity in the capital by 7,940 kilowatts, resulting in an end to power restrictions and blackouts**

## Public Sector Management: Managing Finances

The Maldives suffers from a narrow economic base and limited revenue streams. These constraints, along with a spike in government spending after the tsunami, a rapid expansion of the civil service, and recent increases in prices of key commodities including food and fuel, have put public finances under severe pressure, with the fiscal deficit growing to over 20% of GDP in 2009.

In response, ADB, along with multilateral development partners the World Bank and the International Monetary Fund, has provided wide-ranging loan and technical assistance support to help the government strengthen financial management and medium-term

macroeconomic planning, to develop national statistics, to strengthen audit and accounting functions, and to carry out structural reforms to rationalize public spending.

ADB's total assistance for public sector management from its ADF resources totals almost \$52.5 million, with the bulk of the funds, or \$39.5 million, earmarked for the ongoing Economic Recovery Program, which was approved in 2009 to help the government respond to a sharp expansion in its fiscal deficit. The program was provided in conjunction with commitments of almost \$87 million from the International Monetary Fund and \$13.7 million from the World Bank for its economic stabilization and recovery programs. The assistance from the three donors supports a wide range of policy actions designed to improve fiscal management, reduce expenditure, and boost revenue. ADB's focus has been on measures to increase revenue.

There have been a number of positive outputs to date. An ad valorem goods and services tax (GST) was introduced in 2011 to boost revenues, which had two components: a tourism goods and service tax (T-GST) for the tourism sector and a general goods and services tax (G-GST, or generally referred to as GST) for all other sectors. T-GST was set at 3.5% when introduced in October 2011, then increased to 6% in January 2012, and is set to increase to 8% from 2013 onward.<sup>2</sup> Revenue from the T-GST for 2011 reached \$56.63 million.

An approved 15% business profit tax is also expected to come into force in the near future, while the program has helped strengthen staff capacity and collection systems at the Maldives Inland Revenue Authority, which was created in March 2010.

The fiscal deficit, after spiking at 21% of GDP in 2009, eased back to 10.2% in 2011, but costs linked to the establishment of island and atoll councils under a decentralization law as well as a new government health insurance scheme have brought about a recent rise in spending.

## A 3.5% ad valorem goods and services tax was introduced in 2011 to boost revenues

Many of the 18 technical assistance projects designed to support financial and debt management reforms and privatization of state-owned enterprises have had only limited success due to staffing constraints, implementation difficulties, and a lack of consensus over some of the policy recommendations.

## Multisector: Servicing Outer Islands

Small communities, limited employment opportunities, and a lack of basic services have caused significant development divides between Malé and the outer atolls, and also growing environmental problems.

In response, ADB and its development partners, including the Islamic Development Bank, have targeted upgrades in basic services on the outer islands, particularly in water and sanitation, solid waste management, and transport connectivity.

ADB's multisector assistance totals almost \$17 million, with the main interventions coming through the Regional Development Project, with \$14 million in ADF loans. The project, which was approved in 1999 and was physically completed on 31 December 2012, has been rolled out in two phases, with the first covering 13 islands in the northern and southern development regions, and the second covering 3 islands in the center. The Islamic Development Bank cofinanced the project with a loan of almost \$5.9 million.

<sup>2</sup> The Government proposes to the Parliament an increase of T-GST rate to 15%, which will result in an amendment to the GST Act if approved.



Ahmed Zahid

ADB assistance for basic services such as sewage treatment on remote islands has improved health and the environment

In the first phase, about 5,000 rainwater tanks were provided, while a pilot sewage treatment system was established on Kulhudhuffushi Island of Haa Dhaalu Atoll. Two solid waste management centers were constructed, and a link road with bridges and a causeway from Gan Island to Hithadhoo Island in Seenu Atoll was built. The water and sanitation upgrades have increased drinking water capacity by an estimated 40.3 megaliters a year, reduced shortages in dry periods, and substantially cut the incidence of waterborne diseases, with Kulhudhuffushi Hospital's annual reports showing a 60% reduction in reported cases of diarrhea over the project implementation period.

The recently completed second phase of the project has built sewage treatment plants on two of the three focus islands to improve groundwater quality and provided equipment for solid waste management centers. Training

has also been conducted for communities and government staff in areas such as environmental awareness, engineering, financial management, and administration.

The sewage treatment plant on Mahibadhoo Island of Alif Dhaal Atoll, although physically complete, had not yet begun operations as of May 2012 because of the absence of a utility service provider.

**The water and sanitation upgrades have increased drinking water capacity by an estimated 40.3 megaliters a year, reduced shortages in dry periods, and substantially cut the incidence of waterborne diseases**

# Operational Effectiveness: Improving Performance

In its country assistance program evaluation report for the Maldives, ADB's Independent Evaluation Department (IED) found ADB's overall operational performance from 1978 to 2010 to be *partly successful*, with the program broadly effective in achieving targeted outputs and outcomes. The development impact was rated *partly satisfactory*, with operations in the transport and information and communication technology, energy, and education sectors the most successful in reaching intended targets.

In 2011, 75% of completed sovereign operations and 67% of completed technical assistance projects were rated *successful*. Some projects have incorporated innovative design features, such as the Outer Islands Electrification Sector Project, which provided low-noise generator sets with vibration dampeners and extended ventilation systems to minimize impacts on communities and the sensitive tropical environment.

However, the IED report found the efficiency of operations to be *below par*, with substantial project implementation delays seen across the portfolio. While the average ADB project delay period between 2001 and 2010 fell to 24.8 months from 33.2 months between 1991 and 2000, in the Maldives it almost doubled to 43.5 months.

The causes for the delays and other difficulties have been various, including the tsunami, government capacity constraints, design changes, transfer of project management responsibility among government ministries, staff reassignments, state agency reorganizations, and problems in finding suitable consultants and contractors. Low or

no fees for many services, including domestic harbors, water supply, sewage treatment, and solid waste management, have raised questions about their future sustainability. The need to rely on government subsidies to cover operational costs of utilities puts pressure on state finances.

To address these issues, IED recommended that ADB remain carefully selective of the sectors to which it provides assistance and that it work more closely with development partners to improve overall development effectiveness. Another suggestion was to prepare long-term strategic sector support plans that can form the basis for future infrastructure operations. Providing adequate project preparation support, using a phased delivery approach, and allocating sufficient time for implementation are other important steps that can help improve operations.

A dedicated focal point in ADB's Sri Lanka Resident Mission, or a liaison office in Malé, could also be considered to improve interaction with local counterparts, including project implementing agencies.

**The Independent Evaluation Department recommended that ADB remain carefully selective of the sectors to which it provides assistance and that it work more closely with development partners to improve overall aid effectiveness**

# Future Challenges

In the 33 years since it joined ADB, the Maldives has made substantial progress. Real per capita incomes had risen at a compounded annual growth rate of 5% up to 2010, while most of the Millennium Development Goals have been achieved ahead of schedule, and basic physical infrastructure and social services have been extended to the outer islands. The country has established itself as a premier tourist destination, with the number of visitors from Asia expected to expand strongly in coming years.

However, the economy remains highly dependent on tourism, imports, foreign aid, and foreign workers, leaving it vulnerable to external shocks. Rising prices for imported food and fuel have caused a spike in inflation, which reached 12.8% in May 2012. The country's accession to middle-income status will see a reduction in concessional aid going forward, and climate change will pose a growing threat.

To address the challenges, ADB and the Government of the Maldives have approved an interim country partnership strategy for

2012–2013. The partnership focuses on micro, small, and medium-sized enterprises development; transport; and energy. ADB will also explore ways of strengthening human skills development to help the Maldives meet its needs for a modern workforce. Under a country operations business plan for 2013–2015, ADB has earmarked indicative sovereign lending assistance of \$18 million, including proposed renewable energy, education for youth development, and transport development projects. ADB is also looking to boost its nonsovereign operations in areas such as clean energy and small and medium-sized enterprise finance. However, the lack of convertibility of the rufiyaa and the country's weak sovereign rating remain deterrents to private investment.

Given its more-than-3-decade-long involvement and role as one of the largest multilateral development partners in the country, ADB is well placed to continue to assist the Maldives in its drive to boost inclusive growth and to promote environmentally sustainable development.



Ahmed Zahid

Providing education and other opportunities for the young in remote island communities remains a challenge



## **Development Effectiveness Brief**

### **Maldives**

Since joining the Asian Development Bank (ADB) in 1978, the Maldives has received assistance of nearly \$200 million on loans, grants, and technical assistance projects. ADB helped the country toward economic recovery in the wake of the 2004 tsunami and 2008 global financial crisis by providing the Tsunami Emergency Assistance and the Economic Recovery Programs. The Maldives has made substantial progress—real per capita income had risen at an average annual growth rate of 5% and the country graduated from the United Nations' Least Developed Country designation to Middle Income Country status on 1 January 2011.

### **About the Asian Development Bank**

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.7 billion people who live on less than \$2 a day, with 828 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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