Maldives
Information Technology Development Project

Information and communication technology (ICT) is widely recognized as a potential powerful tool in the fight against world poverty, with the capacity to provide developing countries with an unprecedented opportunity to meet vital development goals such as poverty reduction, basic health care, and education. Countries that succeed in harnessing the potential of ICT can look forward to greatly accelerating economic growth, dramatically improving human welfare, and fostering good governance practices.

In the Maldives, the telecoms infrastructure and services have expanded rapidly over the last decade. Since 1997, the Maldives telecoms system has expanded to include the atolls in the north and has become truly a transnational system. In the south, atolls are internally connected by a microwave trunk network and very high frequency/ultra high frequency radio links, and are connected to Male via satellite; major earth stations exist in both Hithadhoo and Malé.

Universal access to telephone service was achieved in May 1999—a substantial technical and social achievement. The overall quality of telecoms access and service in the Maldives (teledensity of 9.0) compares very favorably with that found in other countries in the region.

However, improving practical access even further and reducing the relatively high cost of local and long distance telephone use, cellular mobile expense, and internet access remain key concerns.

Taking into account these conditions and the national development priorities of the Maldives, the government has decided to move toward a more open competitive environment in the telecoms system. This move is reinforced by the international trend in telecoms markets to contestability and competition, and the World Trade Organization protocol on liberalization of markets for telecoms.

Project Results

Networking. The project successfully completed a networking component. The Government Network of Maldives—a fiber optic network interlinking government agencies in Malé and other islands—had been established. In Malé, 106 government offices are linked by this network, of which 79 are directly connected via fiber optic cable and 27 via ADSL. A network connecting 20 outer atolls had been established at completion, with active connectivity to four of them via microwave technology provided by a local mobile operator. The four atolls also provide connectivity and backhaul traffic from 21 governments offices located in other islands. The remaining 16 atolls are already equipped with the necessary network and communication infrastructure and can be provided with active connectivity as soon as the applications are ready to be rolled out to those atolls.

Applications. Several applications enabling electronic delivery of public services have been developed under the project, and are operational. These include an enterprise architecture and framework for developing E-government services; necessary servers, databases, and storage supporting this framework, hosted within the data center at the National Center for Information Technology; a web portal for individual citizens, businesses, and government agencies that offer a range of services;

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Project Results
(continued)

the Government E-Letter Management System for exchanging documents between government agencies; and Transport Online for processing driver's licenses.

National Computer Center and internet kiosks. The National Computer Center (NCC)—later renamed the National Center for Information Technology—was established in 2003, as the main government agency for the development, promotion, and propagation of information technology in the Maldives. About 20 internet kiosks had been setup in 20 atolls. Four atolls are connected to the main computer systems at the National Center for Information Technology in Malé through microwave networks provided by the local mobile operator. Internet kiosks are installed at public locations.

Telecommunication sector reform. All aspects of the telecommunication sector reform planned under the project were completed, including restructuring of the existing regulatory body in such a way as to separate policy making and regulating functions; establishment of an independent regulatory body; enactment of a telecommunication law that supports the reform measures; opening up of the nonbasic and value-added markets to competition; and tariff restructuring for internet services.

> A total of 106 government offices are now linked to the Government Network of Maldives, of which 79 are directly connected via fiber optic cable and 27 via ADSL

Maldives: Information Techonology Development Project
(continued)

In December 2001, the Asian Development Bank (ADB) approved the Information Technology Development Project in the Maldives. The project sought to improve the efficiency, transparency, and accountability of public sector management by networking government agencies and electronically providing information and services for the public. The project was needed for the government of Maldives to take advantage of ICT in its pursuit of making government work more efficient, transparent, and accountable, and of delivering public services to the public, aided by the telecommunications sector reform.

The project is in line with the strategic directions of ADB's South Asia Department. The strategy focuses on sustainable infrastructure, climate change mitigation and adaptation, human development, regional cooperation and integration, public–private partnership, and good governance.

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The Project at a Glance

Cost and financing: Asian Development Fund, $9.5 million

Project approval date: 17 December 2001

Project themes: Economic growth, Governance, Private sector development

Status of project implementation: Completed

Loan closing date: 31 December 2009

Executing agency
Ministry of Finance and Treasury

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