



# Asian Development Bank & Maldives

## FACT SHEET

**Table 1. Maldives: 2014 Approved Loans, Grants, and Technical Assistance (\$ million)**

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	0.85	50.00	50.85

- = nil.  
Note: Grants and technical assistance include cofinancing.

**Table 2. Maldives: Cumulative Lending, Grant, and Technical Assistance Approvals<sup>a, b</sup>**

Sector	No.	Total Amount (\$ million) <sup>c</sup>	% <sup>c</sup>
Agriculture, Natural Resources, and Rural Development	4	2.14	0.82
Education	8	14.25	5.45
Energy	14	83.16	31.80
Finance	6	12.93	4.94
Industry and Trade	6	19.47	7.45
Multisector	5	32.40	12.39
Public Sector Management	29	55.90	21.38
Transport	18	34.84	13.32
Water and Other Urban Infrastructure and Services	2	6.40	2.45
<b>Total</b>	<b>92</b>	<b>261.48</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Total may not add up because of rounding.

**Table 3. Maldives: Cumulative Nonsovereign Financing by Product**

	Amount (\$ million)
Number of Projects	2
Loans	12.00
Equity Investments	4.50
Guarantees	-
B Loans	-
<b>Total</b>	<b>16.50</b>

- = nil.

The Maldives consists of over 1,190 islands, spanning approximately 900 kilometers along the Indian Ocean. Only 188 of these islands are inhabited, and the population is concentrated in a few of the larger islands. Malé, the capital, is home to 39% of the country's total population of roughly 341,200 people, and only 19 other islands have populations exceeding 2,000 people.

In recent decades, the Maldives has enjoyed sustained growth, driven largely by its luxury tourism industry. However, as an island economy of relatively small scale, the Maldives is extremely vulnerable to external economic shocks and the negative impacts of climate change.

The Asian Development Bank (ADB) has been supporting the Government of the Maldives since 1978. As of 31 December 2014, ADB has provided the Maldives with 24 sovereign and nonsovereign loans and grants totaling \$233.83 million, and has funded 68 technical assistance projects totaling \$27.65 million.

Cumulative disbursements to the Maldives for lending and grants financed by ordinary capital resources, the Asian Development Fund (ADF), and other special funds amounted to \$156.4 million.

### ADB-Supported Projects and Programs

Current ADB operations in the Maldives encompass public sector management, transport, education, and energy sectors. All ADB assistance has come from the ADF, with resources used to upgrade the country's commercial and domestic harbors, ensure reliability of power supply to the capital and outer islands, boost growth, and reduce regional economic disparities.

To respond to challenges in the energy sector, ADB is providing assistance for sustainable energy development in the outer islands. Because fuel import costs exceed 40% of the country's gross domestic product, ADB is supporting the government to develop renewable energy sources through the Outer Islands Sustainable Energy Development Project. Once fully operational, this project will help the country reduce fuel imports and cut greenhouse gas emissions.

ADB also supports the government's long-term objective to develop a nationwide, sustainable transport network. This includes connectivity on and between islands of the Maldives, as well as maritime connectivity to nearby countries to boost regional trade. ADB helped develop an integrated maritime transport master plan. Part of this development includes delivering additional operating capacity for Malé North Harbor, and the planned expansion of Kulhudhuffushi Harbor.

ADB is helping the Maldives to build the government's institutional capacity to manage public expenditures, by addressing weak fiscal management and capacity constraints. Resources are being provided to strengthen the Maldives Inland Revenue Authority, to install and operate the Revenue Administration

**Table 4. Maldives: Project Success Rates**

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	–	1
2009	50.00	2
2011	50.00	2
2012	–	1
2013	100.00	2
<b>Total</b>	<b>50.00</b>	<b>8</b>

– = nil.

Note: “Year” refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years’ fact sheets, the success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2014.

**Table 5. Maldives: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2013–2014**

	2013 (\$ million)		2014 (\$ million)	
	2013 (\$ million)	2014 (\$ million)	2013 (\$ million)	2014 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2014)		1		
Contract Awards/Commitments <sup>a,b</sup>	0.1	0.4		
Disbursements <sup>a</sup>	0.6	1.2		
Number of Ongoing Grants (as of 31 Dec 2014) <sup>c</sup>		2		
Contract Awards/Commitments <sup>a,b</sup>	0.3	0.4		
Disbursements <sup>a</sup>	0.1	0.1		
Actual Problem Projects (%)		–		

– = nil.

Note: Totals may not add up because of rounding.

<sup>a</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>b</sup> Excludes policy-based lending/grants.

<sup>c</sup> Includes only Asian Development Fund and other ADB special funds.

Management Information System, and to widen the economic base by supporting the development of micro, small, and medium-sized enterprises.

## Nonsovereign Operations

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector projects in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$16.5 million for two private sector projects in the Maldives’ finance sector. Total outstanding balances and commitments of ADB’s private sector transactions in the country as of 31 December 2014 were \$4.3 million, representing 0.05% of ADB’s total nonsovereign portfolio.

## Cofinancing

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s Trade Finance Program.

By the end of 2014, cumulative direct value-added official cofinancing for the Maldives amounted to \$86.2 million for five investment projects and \$2.3 million for four technical assistance projects.

In 2014, the Maldives received \$60.0 million loan cofinancing from the European Investment Bank and the Islamic Development Bank, and \$12.0 million grant cofinancing from the Strategic Climate Fund for the Preparing Outer Islands for Sustainable Energy Development.

**Table 6. Maldives: Projects Cofinanced, 1 January 2010–31 December 2014**

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	2	82.30
Grants	1	12.00
Official Loans	2	70.30
Technical Assistance Grants	2	1.55

<sup>a</sup> A project with more than one source of cofinancing is counted once.

A summary of projects with cofinancing from 1 January 2010 to 31 December 2014 is available at [www.adb.org/countries/maldives/cofinancing](http://www.adb.org/countries/maldives/cofinancing)

## Partnerships

ADB has been a major development partner of the Government of the Maldives since 1978.

The Maldives draws funding exclusively from the ADF, and the country allocation for the period 2015–2017 is indicatively \$19.7 million. The Maldives is eligible for 100% grants, and the value of loans and grants will continue to be determined by annual debt stress classifications.

With the aim of reducing duplication and overlap, and minimizing aid transaction costs, the government aims to engage development partners with specialization in particular sectors or thematic areas. In this context, ADB has focused on capacity building in public sector financial management, and support for transport, energy, and micro, small, and medium-sized enterprises. The ADB program in the Maldives has been developed in close consultation with the United Nations, the World Bank, and other development partners.

## Procurement

### Share of ADB’s Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled

\$6.59 billion in 2013 and \$8.58 billion in 2014. Cumulative procurement, as of 31 December 2014, was \$135.21 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$511.13 million in 2013 and \$555.30 million in 2014. Cumulative procurement, as of 31 December 2014, was \$9.98 billion.

**Table 7. Maldives' Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects**

Item	2013		2014		Cumulative (as of 31 Dec 2014)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.11	0.00	0.44	0.01	73.20	0.05
Consulting Services	0.33	0.06	0.16	0.03	3.92	0.04
<b>Total Procurement</b>	<b>0.44</b>	<b>0.01</b>	<b>0.60</b>	<b>0.01</b>	<b>77.11</b>	<b>0.05</b>

0.00 = less than 0.01%.

## Goods, Works, and Related Services

From 1 January 1966 to 31 December 2014, contractors and suppliers were involved in 194,667 contracts for goods, works, and related services under ADB loan and grant projects worth \$135.21 billion. During the same period, 162 contracts were awarded to contractors and suppliers from the Maldives worth \$73.20 million.

**Table 8. Top 5 Contractors/Suppliers from the Maldives Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2010–31 December 2014**

Contractor/Supplier	Sector	Contract Amount (\$ million)
Sirius Enterprises	WUS	0.18
Biz 4 Maldives Private Limited	WUS	0.10
GTS Maldives Private Limited	WUS	0.02
Dhiraagu	IND	0.01
Copier Plus	IND	0.01
Others		38.89
<b>Total</b>		<b>39.20</b>

IND = Industry and Trade, WUS = Water and Other Urban Infrastructure and Services.

## Consulting Services

From 1 January 1966 to 31 December 2014, consultants were involved in 45,584 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$9.98 billion. During the same period, 80 contracts were awarded to consultants from the Maldives worth \$3.92 million.

**Table 9. Top 5 Consultants from the Maldives Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2010–31 December 2014**

Consultant	Sector	Contract Amount (\$ million)
AH & Associates	EDU	0.00
Individual consultant/s		0.76
<b>Total</b>		<b>0.76</b>

0.00 = less than \$10,000; EDU = Education.

## Operational Challenges

With dispersed populations, segmented economic activity across islands, and difficulties of connectivity, there have been numerous operational challenges in fostering development in the Maldives. Even as economic growth has improved and high incomes per capita have been achieved, the country's heavy reliance on luxury tourism means there is a significant need to diversify its economy. Progress in doing so has been hampered by capacity constraints in the public sector, which has meant that implementation of projects has often been slow.

The Maldives' economy remains vulnerable to the constraints typical of small island economies. As an archipelago, the country is susceptible to the impacts of climate change, and its geophysical setting confines expansion in the agriculture sector. Costs of transport and public service delivery are also high, causing regional inequalities to remain considerable, with unemployment and poverty both higher in the atolls compared with the capital Malé.

## Future Directions

In the years since the devastation caused by the 2004 tsunami, ADB's partnership with the Maldives has centered first on investment in physical infrastructure and fiscal consolidation, and then on development of small and medium-sized enterprises, and the energy and transport sectors. Private sector development and capacity development for policy and project implementation have also been central to ADB assistance to the country.

As the Government of the Maldives continues to shape its long-term national development strategy and plan, ADB has extended the interim country partnership strategy (CPS) to the end of 2015, focusing on the same sectors and thematic priorities as the previous CPS.

Given the limitations of the ADF country allocation for the Maldives, it is important that development investments are accurately defined and well targeted. This approach is already evident in the country's focus on sources of renewable energy, generation of employment growth, fiscal consolidation through revenue enhancement and expenditure contraction, and capacity building to make optimum use of investments.

## About the Maldives and ADB

### ADB Membership

Joined 1978

### Shareholding and Voting Power

Number of shares held:	426 (0.004% of total shares)
Votes:	39,856 (0.302% of total membership, 0.463% of total regional membership)
Overall capital subscription:	\$6.17 million
Paid-in capital subscription:	\$0.30 million

**Muhammad Sami Saeed** is the Director and **Gaudencio Hernandez, Jr.** is the Alternate Director representing the Maldives on the ADB Board of Directors.

ADB operations in the Maldives are managed through ADB headquarters in Manila. The ADB South Asia Department provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The South Asia Department engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Maldives.

The Maldives government agency handling ADB affairs is the Ministry of Finance and Treasury.

### About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2014, lending volume was \$12.92 billion (113 projects), with TA at \$158.88 million (256 projects) and grant-financed projects at \$405.34 million (17 projects). In addition, \$9.24 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2010 to 31 December 2014, ADB's annual lending volume averaged \$12.10 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$697.97 million and \$156.69 million in TA over the same period. As of 31 December 2014, the cumulative totals excluding cofinancing were \$216.21 billion in loans for 2,729 projects in 44 countries, \$6.87 billion in 256 grants, and \$3.75 billion in TA grants, including regional TA grants.

## Contacts

### ADB Headquarters

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 632 4444  
Fax +63 2 636 2444  
[www.adb.org/maldives](http://www.adb.org/maldives)

### Ministry of Finance and Treasury

Ameenee Magu  
Block 379 Malé, Republic of Maldives  
Tel +960 334 9225, +960 334 9200  
Fax +960 330 7802  
[admin@finance.gov.mv](mailto:admin@finance.gov.mv)

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

To access a complete list of development and economic indicators, visit:

Statistics and Databases  
[www.adb.org/data/statistics](http://www.adb.org/data/statistics)