

**APPENDIXES**

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## ECONOMIC INDICATORS

Item	1996	1997	1998	1999	2000 <sup>a</sup>	2001 <sup>b</sup>
<b>A. Income and Growth</b>						
GDP per Capita (\$, current prices)	1,844	1,967	1,987	2,113	2,059	2,194
GDP Growth (%)	9.1	10.2	8.2	7.4	4.8	7.0
Primary Sector	1.8	2.2	6.8	3.2	-2.1	-1.6
Secondary Sector	3.8	23.4	16.2	8.3	-0.5	11.2
Tertiary Sector	11.2	9.2	6.9	7.8	6.8	7.3
<b>B. Money and Inflation</b> (annual percent change)						
Consumer Prices	6.2	7.6	-1.4	3.0	-1.1	1.5
Money Supply (M2)	26.0	23.1	22.8	3.6	4.1	8.6
<b>C. Government Finance</b> (percent of GDP)						
Revenue <sup>c</sup>	28.9	31.0	31.8	33.8	37.8	37.1
Expenditure	31.4	32.3	33.8	38.1	42.4	42.6
Overall Surplus/Deficit (-)	-2.5	-1.4	-2.0	-4.3	-4.6	-5.5
<b>D. Balance of Payments</b>						
Merchandise Trade Balance (% of GDP)	-40.3	-42.7	-41.9	-46.9	-41.9	-42.5
Current Account Balance (% of GDP)	-1.6	-6.8	-4.5	-14.6	-9.5	-8.0
Export (\$) growth (%)	-6.0	16.4	2.8	-4.3	18.8	13.2
Import (\$) growth (%)	12.6	15.6	1.5	13.6	-3.4	11.1
<b>E. External Payments Indicators</b>						
International Reserves (\$ million)	77.6	99.7	119.9	128.5	124.1	114.9
(months of imports of goods and NFS)	2.6	3.0	3.5	3.3	3.3	2.8
External Debt Service (% of exports of goods and NFS)	3.2	6.9	3.5	3.9	4.0	4.1
External Debt (% of GDP)	38.5	35.6	38.9	38.1	41.0	42.9
<b>G. Memorandum Items</b>						
GDP (current prices, \$ million)	460.4	500.8	515.7	559.3	556.2	604.1
Exchange Rate (Rf per \$)	11.77	11.77	11.77	11.77	11.77	11.77

GDP = Gross domestic product

NFS = Nonfactor services.

<sup>a</sup> Provisional estimates.

<sup>b</sup> Provisional projections.

<sup>c</sup> Including grants.

Source: Ministry of Planning & National Development; Maldives Monetary Authority; and the International Monetary Fund.

## SOCIAL AND ENVIRONMENT INDICATORS

Indicators	1980-1985	2000 <sup>a</sup>
<b>Population</b>		
Total Population (1,000)	180	270
Annual Population Growth Rate (%)	3.4	1.9
<b>Social</b>		
	<b>1987-1992</b>	<b>Latest Year</b>
Total Fertility Rate (births per woman)	6.0	5.8 (1995)
Maternal Mortality Rate (per 100,000 live births)	480	172 (1999)
Infant Mortality Rate (per 1,000 live births)	55	20 (1999)
Life Expectancy at Birth (years)	62	72 (1999)
Female	—	73 (1999)
Male	—	72 (1999)
Adult Literacy Rate (%)	—	98 (1999)
Primary School Enrollment Rate (% of school age population)	—	98 (1999)
Secondary School Enrollment Rate (% of school age population)	—	50 (1998)
Child Malnutrition (% of children under age five)	56.1 (1980-85)	39 (1990-1997)
Population Below the Poverty Line (%)	—	42 <sup>b</sup> (1998)
Population with Access to Safe Water (%)		
Rural	58 (1980-85)	77 (1987-1992)
Urban	12 (1980-85)	68 (1987-1992)
Population with Access to Health Care (%)	25 (1980-85)	75 (1987-1992)
Public Education Expenditure as % of GDP	4.4 (1985)	9.54 (1999)
Public Health Expenditure as % of GDP	—	6.02 (1999)
Human Development Index	0.497 (1990)	0.725 (2000)
Human Development Index Rank	112/173 (1990)	89/174 (2000)
<b>Environment</b>		
	<b>1980-1995</b>	<b>Latest Year</b>
Total Dryland Area (ha.' 000)	—	30 (1995)
Per Capita CO <sub>2</sub> Emissions (metric tons)	—	0.7 (1995)
Per Capita Commercial Energy Consumption (KOE)	89 (1980)	139 (1994)

KOE = Kilogram of Oil Equivalent.

— = not available.

<sup>a</sup> Preliminary results.

<sup>b</sup> Based on Rf15 (\$1.3) per day.

Sources: Vulnerability and Poverty Assessment, Ministry of Planning and National Development and UNDP, 1998; 1999 Statistical Yearbook of Maldives, Ministry of Planning and National Development; 2000 Human Development Report, UNDP; 1999 World Development Report, World Bank; 1999 World Development Report, World Bank; Maldives, Ministry of Planning and National Development; 2000 Human Development Report, UNDP; Social Sector Profile of Maldives, PW1, ADB; and the Government of Maldives.

Note: 2000 census data are not yet available.

**PORTFOLIO PERFORMANCE**  
**Table A3.1 : Implementation, Disbursement Performance and Postevaluation Results**  
**Public Sector Projects only**  
(as of 31 December 2000)

A. Project Portfolio	Net Loan Amount		Rating (No.)										
			Total		Implementation Progress				Development Objectives				
	\$ million	%	No.	%	HS	S	PS	U	HS	S	PS	U	
Agriculture and Natural Resources	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0
Energy	6.6	32.4	1	33	0	1	0	0	0	0	1	0	0
Finance and Industry	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0
Social Infrastructure	13.8	67.6	2	67	0	2	0	0	0	0	2	0	0
Transport and Communications	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0
Others/Multisector	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20.4</b>	<b>100.0</b>	<b>3</b>	<b>100</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>

  

B. Disbursements	OCR	ADF	Total
Total funds available for withdrawal (\$ mn, active loans only)		20.40	20.40
Disbursed amount (\$ mn, cumulative, active loans only)	0.00	2.03	2.03
Percentage disbursed [(2)/(1)] (%)	0.00	0.10	9.95
Disbursements (\$mn, active loans only, latest year)	0.00	1.30	1.30
Disbursement ratio (%) <sup>a</sup>	0.00	6.27	6.27

  

C. Net Transfer of Resources <sup>b</sup> (\$ million)	OCR	ADF	Total
1996		5.70	5.70
1997	0.00	2.50	2.50
1998	0.00	0.83	0.83
1999	0.00	-0.20	-0.20
2000	0.00	0.70	0.70

  

D. Post-Evaluated Projects							1996 - 2000	
1. Postevaluation Rating (as of 31 December 2000)							No.	%
Highly Successful							0	0
Successful							2	100
Partly Successful							0	0
Unsuccessful							0	0
No Rating							0	0
<b>Total</b>							<b>2</b>	<b>100</b>

  

2. Postevaluation Rating by Sector 1996-00 (as of 31 December 2000)	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0
Finance and Industry	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	1	50.0
Others/Multisector	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>70.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>100.0</b>

ADF = Asian Development Fund; HS = highly satisfactory; OCR = ordinary capital resources; S = satisfactory; PS = partially satisfactory; U = unsatisfactory

<sup>a</sup> Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

<sup>b</sup> Includes private sector projects for countries with private sector operations.

Source : Programs (A), CTD (B & C), OEO (D)

**PORTFOLIO PERFORMANCE**  
**Table A3.2: Status of Project Implementation**  
(as of 31 December 2000)

Sector/ Subsector	Loan No.	Project Name	Net Loan Amount ADF (\$mn)	Loan Approval Date	Loan Effectiveness Date	Loan Closing Date		Physical Progress (%)	Cumulative Disburse- ments (\$mn)	Cumulative Contracts Awards (\$mn)	Project Performance Rating	
						Original	Revised				Implementation Progress	Development Objective
Energy	1532	Third Power System Development	6.62	Sep. 97	Apr. 98	Jun. 01	-	42	0.62	6.10	S	S
Social	1637	Postsecondary Education Development	6.13	Sep. 98	May. 99	Jul. 04	-	20	0.25	0.53	S	S
Social	1695	Regional Development	7.65	Sep. 99	Mar.00	Dec. 04	-	22	1.16	2.09	S	S
<b>TOTAL</b>			<b>20.40</b>						<b>2.03</b>	<b>8.73</b>		

S = satisfactory.

Note: A loan is considered closed when the loan account is closed.

Source: CIRC Country Detail as of 31 December 2000.

**LENDING AND TECHNICAL ASSISTANCE PROGRAM FOR 2002-2004**

**Table A4.1: Lending Scenario and Performance Triggers**

Low Case	Base Case	High Case
<ul style="list-style-type: none"> <li>• Weak effort in operationalizing the country development plans</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of the Sixth National Development Plan and Vision 2020 by end-2001</li> <li>• Effort to regulate the tariffs for telecoms services at a competitive and affordable level</li> <li>• Effort to improve education for student in the atolls</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of action plans for key ministries</li> <li>• Strong effort to reduce economic vulnerability</li> <li>• Significant effort to regulate the tariffs for telecoms services at a competitive and affordable level</li> <li>• A plan for an increase in access to postsecondary education for students in atolls</li> <li>• Effort to improve atoll primary schools</li> </ul>
<ul style="list-style-type: none"> <li>• Maintenance of current regulatory system for key public utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Effort to establish an independent regulatory body with appropriate mandate and authority for the power and communications sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Issuance of road maps for establishing an independent regulatory body with appropriate mandate and authority for the power and communications sectors</li> </ul>
<ul style="list-style-type: none"> <li>• Portfolio performance: unsatisfactory</li> <li>• Insufficient provision of managerial and technical staff for implementing ADB-assisted projects</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio performance: partly satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio performance: satisfactory/highly satisfactory</li> <li>• Sufficient provision of managerial and technical staff for implementing the ADB-assisted projects</li> </ul>

**LENDING AND TECHNICAL ASSISTANCE PROGRAM FOR 2002-2004**  
**Table A4.2: Lending Pipeline for 2002-2004**

Sector/Project Name	Poverty Classification	Thematic Priority	Year of PPTA	Total	Project Cost (\$ million)				
					ADB			Gov't	Cofinancing (Others)
					OCR	ADF <sup>a</sup>	Total		
<b>2002 Loan Pipeline</b>									
<b>Others</b>									
1 Strengthening Public Accounting System	NC	GG	2001	3.8	0	3.0	3.0	0.8	tbd
<b>Subtotal</b>				3.8	0	3.0	3.0	0.8	tbd
<b>Total</b>				<b>3.8</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.8</b>	<b>tbd</b>
<b>2003 Loan Pipeline</b>									
<b>Social Infrastructure</b>									
1 Regional Development (Phase II)	CPI	HD	2001	9.0	0	7.0	7.0	2.0	tbd
<b>Subtotal</b>				9.0	0	7.0	7.0	2.0	tbd
<b>Finance</b>									
2 SME Development in the Atolls	PI	PSD	2002	6.3	0	5.0	5.0	1.3	tbd
<b>Subtotal</b>				6.3	0	5.0	5.0	1.3	tbd
<b>Total</b>				<b>15.3</b>	<b>0.0</b>	<b>12.0</b>	<b>12.0</b>	<b>3.3</b>	<b>tbd</b>
<b>2004 Loan Pipeline</b>									
<b>Social Infrastructure</b>									
1 Education Development	PI	HD	2002	9.0	0	7.0	7.0	2.0	tbd
<b>Subtotal</b>				9.0	0	7.0	7.0	2.0	tbd
<b>Total</b>				<b>9.0</b>	<b>0.0</b>	<b>7.0</b>	<b>7.0</b>	<b>2.0</b>	<b>tbd</b>

ADB = Asian Development Bank; ADF = Asian Development Fund; CPI = core poverty intervention; ECO = economic growth; ENV = environmental protection; GD = gender and development; GG = good governance; HD = human development; NC = not classified; OCR = ordinary capital resources;

PPTA = project/program preparatory technical assistance; PI = poverty intervention; PSD = private sector development; SDP = sector development program

<sup>a</sup> Loan amounts for 2002-2004 are subject to adjustment according to performance-based allocation.

**LENDING AND TECHNICAL ASSISTANCE PROGRAM FOR 2002-2004**  
**Table A4.3: Technical Assistance Program for 2002-2004**

	Type of TA	Amount (\$'000)		
		ADB <sup>a</sup>	Others	Total
<b>2002 Technical Assistance Program</b>				
<b>Social Infrastructure</b>				
1 . Education Development	PPTA	400	-	400
	<b>Subtotal</b>	<b>400</b>	<b>-</b>	<b>400</b>
<b>Industry and Finance</b>				
2 . Divestiture and Revenue Diversification	ADTA	500	-	500
3 . SME Development in the Atolls	PPTA	500	-	500
	<b>Subtotal</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Other</b>				
4 . Establishing a Regulatory Authority in the Energy and Telecommunication Sectors	ADTA	200	-	200
	<b>Subtotal</b>	<b>200</b>	<b>-</b>	<b>200</b>
	<b>Total</b>	<b>1,600</b>	<b>-</b>	<b>1,600</b>
<b>2003 Technical Assistance Program</b>				
<b>Transport and Communications</b>				
1 . Applying Information Technology Network for Poverty Reduction	PPTA	500	-	500
2 . Transport Masterplan	ADTA	300	-	300
	<b>Subtotal</b>	<b>800</b>	<b>-</b>	<b>800</b>
<b>Other</b>				
3 . Debt Management	ADTA	500	-	500
4 . Establishment of Department/Bureau of Statistics	ADTA	200	-	200
	<b>Subtotal</b>	<b>700</b>	<b>-</b>	<b>700</b>
	<b>Total</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
<b>2004 Technical Assistance Program</b>				
<b>Social Infrastructure</b>				
1 . Postsecondary Distance Education	ADTA	350	-	350
	<b>Subtotal</b>	<b>350</b>	<b>-</b>	<b>350</b>
<b>Other</b>				
2 . Graduation Planning	ADTA	500	-	500
3 . Capacity Building of Anti-Corruption Board	ADTA	150	-	150
4 . Capacity Building of Public Service Department	ADTA	500	-	500
	<b>Subtotal</b>	<b>1,150</b>	<b>-</b>	<b>1,150</b>
	<b>Total</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>

ADB = Asian Development Bank; ADTA = advisory technical assistance; PPTA = project preparatory technical assistance  
SME = small- and medium-sized enterprise; TA = technical assistance

<sup>a</sup> TAs equivalent to \$1 million each year will be selected during the country program confirmation mission.

## LENDING AND TECHNICAL ASSISTANCE PROGRAM FOR 2002-2004

Table A4.4: Poverty Classification, Thematic Priority, and Sector

Classification	2002		2003-2004	
	No.	%	No.	%
<b>I. By Poverty Classification</b>				
A. Core Poverty Intervention	0	0.0	1	33.3
B. Poverty Intervention (Non-core)	0	0.0	2	66.7
C. Not Classified	1	100.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>II. By Thematic Priority</b>				
A. Environment	0	0.0	0	0.0
B. Gender and Development	0	0.0	0	0.0
C. Good Governance	1	100.0	0	0.0
D. Human Development	0	0.0	2	66.7
E. Private Sector Development	0	0.0	1	33.3
F. Regional Cooperation	0	0.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>III. By Sector</b>				
A. Agriculture and Natural Resources	0	0.0	0	0.0
B. Energy	0	0.0	0	0.0
C. Industry	0	0.0	0	0.0
D. Finance	0	0.0	1	33.3
E. Transport and Communications	0	0.0	0	0.0
F. Social Infrastructure	0	0.0	2	66.7
G. Others/Multisector	1	100.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

## ECONOMIC AND SECTOR WORK PROGRAM

Type of ESW	Strategic or Operational Objective	Modality (staff/staffconsultant/ ADTA/RETA)
<b>1 Economic Work</b>		
Country Economic Review	Update country economic performance.	Staff
<b>2 Thematic work</b>		
(i) Divestiture and Revenue Diversification	Improve Government's capacity to undertake divestiture in a transparent and professional manner, and examine revenue sources alternative to the profits of the state enterprises.	2002 ADTA
(ii) Establishing a Regulatory Authority in the Energy and Telecommunication Sectors	Assist the Government to address the conflict-of-interest problems that arise because the regulatory authority belongs to the same ministry that provides service and makes policies.	2002 ADTA
(iii) Debt Management	Assist the Government to consolidate the management of the public debt, improve the timing and accuracy of the debt reporting system, and develop an accurate public debt forecasting capacity.	2003 ADTA
(iv) Establishment of Department/Bureau of Statistics	Strengthen the existing statistical system and coordinate the statistical activities of government agencies.	2003 ADTA
(v) Graduate Planning	Develop a new tax system with broader tax base and enhance leadership of high-level Government officials to prepare for the new economic era by graduating from the least developed country status.	2004 ADTA
(vi) Capacity Building of anticorruption board	Strengthen the anticorruption board to improve governance.	2004 ADTA
(vii) Capacity Building of Public Services Department	Facilitate the introduction of a performance-based monitoring and evaluation system in the Government to provide quality public services.	2004 ADTA
<b>3 Sector work</b>		
(i) Transport Master Plan	Assist the Government to assess the needs for transportation and identify the appropriate transportation system that is most effective for regional development.	2003 ADTA
(ii) Postsecondary Distance Education	In line with the education development project, investigate how the outer islands can benefit from the postsecondary education system in Malé.	2004 ADTA

ADTA = advisory technical assistance; RETA = regional technical assistance

## PROJECT SELECTION BRIEFS

Table A6.1: Strengthening Public Accounting System

<b>A. Data</b>	
Project Number:	
Country:	The Maldives
Sector:	Others
Subsector:	Public accounting/budget/auditing
Project Division:	IWFI
Contact Person in Projects Division:	J. Tsunoda
Programs Division:	PW1
Tentative Loan Amount According to CSP:	\$3 million
Proposed Lending Modality:	Project Loan
PPTA:	Capacity Building for Maldives Public Accounting System (Phase II)
Proposed PPTA Amount:	\$150,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	October 2001(PPTA Fact Finding)
Start Design Phase:	February 2002 (PPTA Tripartite-Loan Fact Finding)
Approval Year According to CSP:	2002
Proposed Executing Agency:	Ministry of Finance and Treasury
Contact Person in Proposed Executing Agency:	Riluwan Shareef, Executive Director
<b>B. Description</b>	
Brief Rationale of Project:	Good governance: Implementation of the new public accounting system will (i) enhance accountability and facilitate accurate recording of financial transactions; (ii) produce relevant, reliable, and timely information for effective planning, management, and control of public finance, and (iii) allow the development of effective fiscal operations and macroeconomic policy.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	TA 3320: Capacity Building for Maldives Public Accounting (Phase I) has recommended a whole design of the a new public accounting system for Maldives, which is a computerised double entry cash-based public accounting system with a central ledger and cheque production unit under the control of the Ministry of Finance and Treasury. It has encompassed preparing relevant legislation and instructions as well as improving budget procedures and training and human resource needs. The Minister Level Advisory Committee resolved to adopt the design of public accounting system on 5 April 2000.
Comparative Advantage of ADB in Proposed Project	ADB has been a major donor for public sector management, in particular in improving the public accounting system.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority)	Good governance
Environmental Classification:	C
Social Issues	To be reviewed

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PPTA = project/program preparatory technical assistance

**Table A6.2: Regional Development (Phase II)**

<b>A: Data</b>	
Project Number:	33218
Country:	The Maldives
Sector:	Social infrastructure
Subsector:	
Project Division:	AWWU
Contact Person in Projects Division:	N. Mawilmada
Programs Division:	PW1
Tentative Loan Amount According to CSP:	\$7.0 million
Proposed Lending Modality:	Project Loan
PPTA:	Regional Development Project Phase II
PPTA Amount (\$):	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	August 2001
Start Design Phase:	December 2001
Approval Year According to CSP:	2003
Proposed Executing Agency:	Ministry of Finance and Treasury
Contact Person in Proposed Executing Agency:	Riluwan Shareef
<b>B: Description</b>	
Brief Rationale of Project:	Large regional disparities are one of the challenges the country is facing. The proposed Project will promote regional development by focusing development efforts on 2-3 areas as regional nodes. The proposed project is likely to be a broad-based development effort including both physical infrastructure and environmental improvements such as water supply, sanitation, solid waste management, water quality monitoring, etc. This Project is expected to help reduce pressure on Male by providing both improved living conditions and better economic opportunities at a regional level.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Tbd
Comparative Advantage of ADB in Proposed Project:	The first phase of this Project was funded by ADB and aims at establishing regional development centers in the North and South Development Regions. Phase 2 will build on the lessons learned from the first phase, and will spread development to 2-3 more regional centers, i.e., North Central, Central, and South Central.
Development Objective (thematic priority)	Human development and environmental management
Environmental Classification:	B
Social Issues:	Generating employment opportunities regionally, so that families can be reunited.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PPTA = project/program preparatory technical assistance

**Table A6.3: SME Development in the Atolls**

<b>A: Data</b>	
Project Number:	TBD
Country:	The Maldives
Sector:	Finance and industry
Subsector:	SME development
Project Division:	IWFI
Contact Person in Projects Division:	J. Tsunoda
Programs Division:	PW1
Tentative Loan Amount According to CSP:	\$5 million
Proposed Lending Modality:	Project Loan
PPTA:	SME Development in the Atolls
Proposed PPTA Amount:	\$500,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	Late 2001 (PPTA Fact Finding)
Start Design Phase:	2002 (PPTA Tripartite-Loan Fact Finding)
Approval Year According to CSP:	2003
Proposed Executing Agency:	Ministry of Finance and Treasury
Contact Person in Proposed Executing Agency:	Riluwan Shareef, Executive Director
<b>B: Description</b>	
Brief Rationale of Project:	Pro-poor growth. Lack of employment opportunities has been a major constraint to the development of the atolls. There is an acute lack of financial sector support for the financing SMEs. There are also no suitable marketing and advisory services. Regulatory and policy impediments also inhibit the activities of these enterprises. This Project will develop an integrated program aimed at improving the enabling environment for small and medium-scale enterprises in the atolls to support pro-poor growth.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	IFAD and UNDP have provided assistance to pilot projects for SME development in selected atolls by providing on-lending facility through the Bank of Maldives, which is the sole Government-owned bank.
Comparative Advantage of ADB in Proposed Project:	ADB has been the leading funding agency in financial sector reform, including development of SME financing scheme.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority)	Private sector development
Environmental Classification:	B
Social Issues:	To be reviewed

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PPTA = project/program preparatory technical assistance

**Table A6.4: Education Development**

<b>A: Data</b>	
Project Number:	TBD
Country:	The Maldives
Sector:	Education
Subsector:	Postsecondary/primary education
Project Division:	AWEH
Project Team leader:	Leah C. Gutierrez
Programs Division:	PW1
Tentative loan amount according to CSP:	\$7 million
Proposed lending modality:	Project Loan
PPTA	TA-MLD: Education Development
Proposed PPTA amount:	\$400,000
Piggy-backed ADTA	Postsecondary Distance Education
Proposed ADTA amount:	\$350,000
Start Pre-Design Phase:	2002 (TA Fact-Finding)
Start Design Phase:	2003 (Loan Fact-finding)
Approval Year according to CSP:	2004
Proposed Executing Agency:	Ministry of Finance and Treasury
Contact Person in proposed Executing Agency:	Mr. R. Shareef, Executive Director
<b>B: Description</b>	
Brief Rationale of Project:	Access to primary education expanded rapidly over the past decade, but the quality of that education is deficient in many of the atoll schools. Most of the poor have only primary level education. Untrained teachers, lack of supporting materials, inadequate drinking water and sanitation facilities, poor quality classrooms, and poor child nutrition hamper the delivery of quality education in the atolls. At the same time, nearly 10,000 students per annum are leaving the school system and require postsecondary and vocational education. Demand for these services vastly exceeds domestic capacity to supply training. Providing suitable skills training is essential to replace expatriate labor which, at present, accounts for nearly a quarter of the labor force. Upgrading the quality of primary schools and increasing the scope and relevance of postsecondary education are two of the main human resource development challenges facing the Maldives.
Summary of Preparatory Work by DMC and/or ESW by ADB or others:	The Government has reviewed the education system as background to its 2000-2010 strategic plan. ADB assistance in higher education has helped to establish a framework for domestic provision of postsecondary education services and has helped identify future needs. The Sixth National Development Plan has identified both the quality upgrading challenge for atoll primary schools, and the postsecondary training and skills development challenges as the two key education sector goals. The Maldives College of Higher Education has prepared a 10-year development plan that highlights future expansion and development requirements for that institution. The World Bank's third education loan has attempted to address weaknesses in the provision of secondary schooling and in monitoring education's performance. Government has mounted a program aimed at gradually upgrading the most deficient atoll primary schools.
Comparative Advantage of ADB in Proposed Project:	ADB is the leading funding agency in postsecondary education in the country. It is also the main funding agency in regional development.
Rationale and Scope of attached ADTA:	ADB support to post-secondary education will aim to improve its quality and make it accessible to more Maldivians in the atolls. ADTA will support capacity building of postsecondary education institutions in developing distance education.
Development Objective (thematic priority)	Human development
Environmental Classification:	C
Social Issues:	To avoid the problem of unskilled youth unemployment and discontent in the atolls more generally, Government needs to take urgent actions to upgrade the quality of primary schools and expand access to relevant postsecondary training.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PPTA = project/program preparatory technical assistance

**TECHNICAL ASSISTANCE CONCEPT PAPERS**  
**Table A6.5: Divestiture and Revenue Diversification**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	IWD, IWFI, Mr. Tsunoda
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	The Maldives
Sector/Subsector:	Others (Governance)
Poverty Classification and Thematic Priorities <sup>a</sup> :	Support for ADB operations
Program Year <sup>b</sup> :	2002
Expected Approval Date (mo/yr):	Tbd
Estimated Completion Date:	Tbd
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issue to be addressed in TA)	Development of the capacity to undertake divestiture of state-owned enterprises (SOEs) in a transparent and professional manner will facilitate the transition of Government from a direct provider of commercial and development services to an enabler of private and community service. One of the main policy impediments to divestiture is the Government's dependence on the SOEs for revenue generation. A draft business tax has been prepared but its introduction and refinement will need to be harmonized with the pace and breadth of the divestiture effort.
2. Relation to Strategic Objectives (How the TA addresses the following):	The TA will promote private sector participation in the economy through rationalized public sector activities. A broadened tax base will provide a base for more prudent fiscal and macroeconomic management.
<ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	
3. Scope (specific major components, e.g., capacity building)	The TA will help the Government to develop an orderly, sequenced plan for divestiture of the SOEs and measures to mobilize alternative revenues through a broadened tax base.
4. Expected Outcome and Monitorable Indicators	An approach and plan for divestiture of SOEs will be established; and new taxation measures will be in place.
5. Previous TA(s) on the Same Theme, in the Sector, Country, Region (last five years)	
<ul style="list-style-type: none"> <li>• Name, amount, status</li> <li>• Assessment of outcome</li> </ul>	
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETA as applicable)	Ministry of Finance and Treasury
7. Cost and Financing Plan	
<ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$500,000 (TASF)
8. Country, RETA IPF for relevant year	\$1.0 million

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.6: Establishing a Regulatory Authority  
in the Energy and Telecommunication Sectors**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	tbd
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	N/a
Country/Region (as applicable):	Maldives
Sector/Subsector:	Others (Good Governance)
Poverty Classification and Thematic Priorities <sup>a</sup> :	Support for ADB operations
Program Year <sup>b</sup> :	2002
Expected Approval Date (mo/yr):	tbd
Estimated Completion Date:	tbd
<b>B. Concept and Design</b>	
1. Rationale (Specific problem/issues to be addressed in TA)	The main public utilities in the Maldives have been regulated by Ministries that have an ownership stake in the SOEs that provide utility services. An independent agency to oversee the operations of a range of utility providers will be need for fair and effective regulation. A multisectoral regulator agency will be cost-effective especially in the outer islands.
2. Relation to Strategic Objectives (How the TA addresses the following):  <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	The TA will promote good governance through better regulation of public utilities.
3. Scope (specific major components, eg. capacity building)	The TA will assess the feasibility of establishing an independent regulatory body (or apex regulator). The assessment will cover alternative options for consolidating utility oversight responsibilities and for establishing a regional regulatory presence for the atolls. Constraints posed by skill shortages and the needs posed by public utilities with multiple providers will be considered.
4. Expected Outcome and Monitorable Indicators	An independent regulator for public utilities will be established. Cost for regulation will be reduced, which may lead to better and cheaper utility service.
5. Previous TA(s) on the Same Theme, in the sector/country/region (last five years)  <ul style="list-style-type: none"> <li>• Name, amount, status</li> <li>• Assessment of outcome</li> </ul>	
6. Executing agency, implementing agency, counterpart agency (for RETA as applicable)	Ministry of Finance and Treasury
7. Cost and Financing Plan  <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$200,000 (TASF)
8. Country, RETA IPF for relevant year	\$1.0 million

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.7: Applying Information Technology Network for Poverty Reduction**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	IWTC
Type of TA (ADTA/PPTA/RETA)	PPTA
Name of Loan Project to follow (if PPTA)	Applying Information Technology Network for Poverty Reduction
Country/Region (as applicable)	Maldives
Sector/subsector	Transportation and Communications
Poverty Classification and Thematic Priorities <sup>a</sup>	Human Development
Program Year <sup>b</sup> :	2003
Expected Approval Date (mo/yr)	Tbd
Estimated Completion Date	Tbd
<b>B. Concept and Design</b>	
1. Rationale (Specific problem/issues to addressed in TA)	Under the first information technology project (to be discussed in 2001), the Government will have developed Internet linkages throughout Government and in all of the atolls while promoting competition in telecommunications services. The rationale of the PPTA is to prepare a loan project that can extend the public Internet network and bring the benefits of e-education, e-healthcare and e-commerce services within reach of the low-income atoll population.
2. Relation to Strategic Objectives	Information and communication network development in the atolls is a component of a pro-poor growth pillar of the poverty reduction strategy for Maldives. Bringing connectivity to the atolls will contribute to reduce poverty by improving information, communications and awareness.
3. Scope	The PPTA will develop a strategy and design an investment program aimed at (i) extending the reach of the Government's internet network in the atolls; (ii) developing options for public-private partnership in managing and maintaining the network in the atolls; (iii) developing a program (together with the Ministries responsible for education, health and commerce) for suitable e-education, e-health and e-commerce services; and (iv) preparing a program for testing and implementing these measures on a wide scale.
4. Expected Outcome and Monitorable Indicators	An increase in the level of telecommunications penetration in the short-run, and a decline in the income gap between Malé and the atolls in the long-run.
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years)	PPTA 3597-MLD: Information Technology Development/\$150,000/Approved in 2000 Board discussion on the loan is scheduled in 2001
6. Executing agency, implementing agency, counterpart agency (for RETA as applicable)	Ministry of Communication, Science and Technology
7. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$500,000 (TASF)
8. Country/RETA IPF for relevant year	\$1.0 million

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.