

ASIAN DEVELOPMENT BANK

CSP:MLD 2003-21

**COUNTRY STRATEGY AND PROGRAM UPDATE
(2004–2006)**

THE MALDIVES

August 2003

CURRENCY EQUIVALENTS

(as of 31 July 2003)

| | | |
|---------------|---|--------------|
| Currency Unit | – | rufiyaa (Rf) |
| Rf1.00 | = | \$0.078125 |
| \$1.00 | = | Rf12.80 |

While the rufiyaa has been under a system of managed float since March 1987, the Government has been following a de facto fixed exchange rate policy vis-à-vis the US dollar, of Rf11.77/\$1.00 since October 1994 and Rf12.80/\$1.00 since 25 July 2001.

ABBREVIATIONS

| | | |
|-------|---|--|
| ADB | – | Asian Development Bank |
| ASEAN | – | Association of Southeast Asian Nations |
| CSP | – | country strategy and program |
| EA | – | Executing Agency |
| GDP | – | gross domestic product |
| LDC | – | least developed country |
| SME | – | small and medium-sized enterprise |
| SOE | – | stated-owned enterprise |
| TA | – | technical assistance |
| UNDP | – | United Nations Development Programme |
| US | – | United States |

NOTE

In this report, "\$" refers to US dollars.

CONTENTS

| | Page |
|---|-------------|
| I. CURRENT DEVELOPMENT TRENDS AND ISSUES | 1 |
| A. Recent Political and Social Developments | 1 |
| B. Economic Assessment and Outlook | 1 |
| C. Implication for Country Strategy and Program | 2 |
| II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM | 2 |
| A. Progress under the Poverty Partnership Agreement | 2 |
| B. Progress in the Country Strategy and Program Focus Areas | 3 |
| C. Highlights in Coordination of External Funding and Partnership Arrangements | 5 |
| III. PORTFOLIO MANAGEMENT ISSUES | 5 |
| A. Portfolio Performance | 5 |
| B. Performance Monitoring and Evaluation | 6 |
| IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS | 6 |
| A. Lending Level Proposed | 6 |
| B. Nonlending Program | 7 |
| C. Summary of Changes to Lending and Nonlending Program | 7 |
| APPENDIXES | |
| 1. Country and Portfolio Indicators, and Assistance Pipeline | 8 |
| Table A1.1: Progress Toward the Millennium Development Goals and Targets | 8 |
| Table A1.2: Country Economic Indicators | 9 |
| Table A1.3: Country Poverty and Social Indicators | 10 |
| Table A1.4: Country Environment Indicators | 11 |
| Table A1.5: Development Coordination Matrix | 12 |
| Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings | 14 |
| Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources | 15 |
| Table A1.8: Portfolio Indicators—Evaluation Rating by Sector | 16 |
| Table A1.9: Portfolio Implementation Status | 17 |
| Table A1.10: Assistance Pipeline for Lending Products, 2004–2006 | 18 |
| Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2004–2006 | 19 |
| Table A1.12: Lending Scenarios and Performance Triggers | 21 |
| 2. Concept Papers for Lending Products | 23 |
| 3. Concept Papers for Nonlending Products and Services | 31 |

I. CURRENT DEVELOPMENT TRENDS AND ISSUES

1. The Maldives' eligibility for least developed country (LDC) status will be reviewed this year by the Economic and Social Council of the United Nations. In the current global economic climate, potential graduation will have significant impacts on the Maldives' economic and social development. Table A1.1 of Appendix 1 indicates the country's progress toward the Millennium Development Goals and Targets.

A. Recent Political and Social Developments

2. The country has long enjoyed political and social stability. There have been no significant developments in the political scene since the last country strategy and program (CSP) update, except for a small cabinet reshuffling in October 2002. Presidential elections are scheduled for November 2003; they have been held in an orderly and peaceful manner in the past.

B. Economic Assessment and Outlook

3. While experiencing the prolonged adverse effects of the 11 September 2001 events in the first half of 2002, the Maldives' tourism sector demonstrated a modest recovery in 2002. Tourist arrivals in 2002 recorded an increase of 5.1% from 2001. Consequently, sector growth rose to 2.4% in 2002, compared to zero growth in 2001. The fisheries sector also showed a significant expansion by 13.7%, led by the strong performance of tuna exports due largely to the recovery in international tuna prices. The transport and communications sector, the second largest sector in the economy, demonstrated robust growth of 6.2%. The increase in tourist arrivals spurred demand for transport and communications services for tourists. Reforms in the telecommunications sector, including the opening up of the Internet market, have contributed to lowering tariffs for telecommunications services and expanding the sector. Overall, the GDP growth rate for 2002 was 4.3%, up from 3.5% growth in 2001.

4. The Government's fiscal position for 2002 was characterized by a surge in both expenditures and financing. A major contributing factor was the Government's Hulhumalé Project, a large-scale infrastructure project to create a land mass and develop a new town on an island close to the capital city of Malé. The fiscal deficit in 2002 rose to a high of 7.4% of GDP, as compared to 4.7% of GDP in 2001. The deficit was financed by foreign borrowings. While the borrowings comprised mainly concessional loans, careful monitoring is required to ensure sustainability of the Government's fiscal deficit and debt position. The increase in the fiscal deficit was also due to a decline in grant assistance.

5. Inflation for 2002 remained low at 0.9%, reflecting low domestic fish prices and the modest economic performance. However, credit to the private sector demonstrated a 15–43% increase in every month of 2002 over the same month of 2001. This was largely a result of elimination by the Maldives Monetary Authority of bank specific credit ceiling. The expansion of credit to the private sector and of M2 may potentially indicate not only recovery in domestic demand but also inflationary pressure in the near future.

6. The performance of the external sector in 2002 was favorable. Total exports in 2002 recorded an 18.1% increase over 2001. Major contributing factors included the recovery of international fish prices and lagged effects of currency devaluation in 2001. In contrast, total imports in 2002 decreased by 2.4% compared to 2001. Therefore, the trade deficit for 2002 decreased to \$208.0 million from \$236.0 million in 2001. The current account deficit for 2002

was \$46.9 million, a shrinkage by 18.1% from 2001, and its ratio to GDP fell to 7.5% in 2002 from 9.2% in 2001. In capital account terms, there was a significant increase in disbursement of official assistance and an expansion of private sector capital inflows. The nonmonetary capital account recorded a surplus of \$73.5 million. Accordingly, the balance of payments recorded a surplus of \$26.6 million in 2002, a significant improvement from a deficit of \$21.4 million in 2001. The foreign exchange reserve position also demonstrated an improvement in 2002. It reached \$134.5 million at end-2002, sufficient to cover about 4.1 months of imports. This compares to \$94.3 million at end-2001, sufficient only for 2.9 months of imports. The Maldives' key economic indicators are given in Table A1.2 of Appendix 1.

7. The future performance of the Maldives' economy greatly depends on the development of the tourism sector. While their ramifications are unclear at this stage, the severe acute respiratory syndrome (SARS) may have a significant adverse impact on Maldives' tourism because of increased concern over travel safety.

C. Implication for Country Strategy and Program

8. Potential graduation from LDC status is becoming a key development issue for the country. While the final decision on when the country is to graduate has yet to be made, it is of importance for the Maldives to continue to pursue economic development and poverty reduction to prepare for the negative impacts of such graduation. Strategic support to the country in LDC graduation is the core theme of the current CSP for the Maldives. The assistance program for 2004 and onward has been developed to reflect the current development trend. In particular, the focus is on interventions aimed at economic diversification and employment creation in the atolls so as to mitigate any adverse impacts the country may face resulting from possible ending of preferential treatment in trade and other areas.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress under the Poverty Partnership Agreement

9. Progress has been observed in some of the key targets and indicators in the Poverty Reduction Partnership Agreement that was signed by the Government and the Asian Development Bank (ADB). These include improving the fiscal management system, increasing competition in public utilities and fisheries marketing, gender equity in lower secondary education, increasing telecommunications penetration and reduction in tariffs, and increasing postsecondary education opportunities for atoll students. The country's key poverty and social indicators are in Table A1.3 of Appendix 1.

10. A key implementation issue of the Poverty Reduction Partnership Agreement is the monitoring of poverty incidence. The Government's last survey on poverty was undertaken in 1998. However, since then there has been no follow-on survey nor an effective tracking mechanism. The Government is committed to establishing a poverty and vulnerability monitoring unit, which will be the focal point of a poverty monitoring exercise of the Government and which will produce a poverty monitoring report annually. ADB's assistance to capacity building for a national statistical system will complement the Government's efforts to strengthen poverty monitoring through improving institutional arrangements, strengthening the statistical legal framework, and augmenting human resources capacity.

B. Progress in the Country Strategy and Program Focus Areas

1. Least Developed Country Graduation

11. The Government is fully cognizant of the need for appropriate national strategies to cope with the negative impacts of potential graduation from LDC status. In view of a possible reduction of grant assistance and a hardening of terms and conditions of international aid, the Government has initiated a process of establishing a debt management system with ADB assistance to better monitor the fiscal and external debt positions. Graduation from LDC status will lead to an end to preferential access to the major international markets of the Maldives' key exports. The Government, as part of the process for economic diversification, has formed committees to develop plans on how to diversify both the industrial base and export products and markets.

2. Regional Development

12. Regional development initiatives taken by the Government have shown progress. The parallel economic development initiatives in the key islands, which are being envisaged to be undertaken in tandem with the Government's infrastructure investment to spur regional economic growth, have picked up in the areas of regional airport upgrading, resort development, and harbor and marina development. Atoll development plans are being formulated in selected atolls to guide atoll- or region-based economic and social development, with the participation of island communities. The plans promote interisland and intra-atoll economic and social development activities, including transport network development.

3. Education

13. Government efforts to improve the quality of primary education and expand access to secondary education are ongoing. Gender equality, which has been attained for primary education under the universal education policy, has shown improvement in lower secondary education. The number of students who received postsecondary education in the atolls is expected to increase from 1,400 in 2000 to 2,000 by end 2003. Another 90 will be added to the figure with the completion of a hostel in Malé with ADB assistance.

14. Given the young population structure of the country where the population under 15 years of age accounts for more than 40% of the total, an increasing number of young people are expected to enter the labor market. The Maldives faces a challenge of providing employment opportunities to these people. To address the training needs of young people who have not passed their "O" level examinations and of those who do not complete secondary education, an employment skills-oriented project is being prepared.

4. Financial Sector

15. Following the liberalization measures of the financial sector undertaken in recent years, the Government's further initiatives on financial sector reforms are continuing. As a key initiative to fight money laundering, a financial intelligence unit will be established with the assistance of the World Bank. The Government is working to introduce a new supervisory legislative framework on insurance companies, with the aim of further liberalizing new entry into the industry and strengthening insurance companies' role as institutional investors in the domestic market. The volume of share trading at the recently opened security trading facility provided by

the Capital Market Development Section of the Maldives Monetary Authority has been expanding.

5. Good Governance

16. Key progress has been seen in the Government's efforts to promote good governance, among other things, to improve public sector management. With ADB assistance, a legal framework to improve the Government's public accounting system has been prepared: the three bills—Public Finances Bill, Public Enterprises (Accountability) Bill, and Amendments to Audit Act—will be submitted to the People's Majlis shortly. The Government aims to introduce a medium-term budgeting approach in the budgeting process. Under the approach, all the line ministries and agencies will prepare multiyear budget frameworks, showing not only capital expenditures but also recurrent expenditures. This approach is expected to contribute to better fiscal management by reducing cases where the Government is forced later in the year to meet additional costs, particularly for recurrent expenditures.

17. The Government's measures to restructure state-owned enterprises (SOEs) have picked up. To date, 14 out of 20 SOEs have been corporatized and each of these SOEs has become a legal corporation with limited liability (and with limited government involvement in their management and operations). Also, eight SOEs have been partially privatized; three of the eight have been divested and their shares offered to the public. The Government plans to corporatize two more SOEs in 2003.

6. Private Sector Development

18. There have been achievements in promoting private sector participation in the Maldives' economy. In the telecommunications sector, the Internet market has been opened up for a second service provider. Coupled with enhanced regulatory measures, continuous and significant reductions in Internet tariffs have been observed. The Government also plans to open the mobile phone market by inviting a second service provider into the market in 2004. The opening up in 2002 of the country's two fishing zones to private sector operators is another achievement. It has contributed to some extent to the increase in the fish catch and creation of new employment opportunities in the atolls.

7. Gender Development

19. The Government's efforts for gender development have been accelerated. The Ministry of Women's Affairs and Social Security is strongly encouraging all the development projects by other government ministries or external assistance agencies to address gender issues. While women's representation in senior government positions is still low, the ratio of women among those who are promoted has shown a significant increase. The Government has accorded high priority to addressing domestic violence by raising public awareness on the issue, with the involvement of civil society.

8. Regional Economic Cooperation

20. Despite its location, the Maldives' trade ties with neighboring countries in South Asia are weaker than those with Europe, United States, and Association of Southeast Asian Nations (ASEAN) countries. The slowdown in economic growth since 2000, which was due largely to the weak performance of tourism stemming from global security concerns, poses a question on the country's conventional development path that heavily relies on tourists from Europe. The

possible graduation of the country from LDC status in the foreseeable future will have significant negative implications for the country, including declining external assistance (and hardening terms) as well as an end to preferential access to industrial country markets—including the United States for garments and the European Union for fish products. While some ASEAN countries, including Singapore, have been major trading partners, recent movements toward free trade agreements within ASEAN and East Asia may leave the Maldives in a disadvantaged position as a trading partner.

21. These developments therefore call for a new economic development strategy that aims to establish new and diversified economic linkages with the rest of the world. Given its location and historical, political, and diplomatic ties, the deepening of regional economic cooperation with South Asian economies will be an important agenda in this regard. The Government, with the assistance of ADB, has initiated work to explore the regional economic cooperation potential of the Maldives with South Asian countries.

C. Highlights in Coordination of External Funding and Partnership Agreements

22. While it has no resident mission in the Maldives, ADB has maintained close communication with key development partners, including the United Nations Development Programme, World Bank, and International Monetary Fund. Recent cooperation among major external agencies has focused on capacity building and institutional development of key government ministries and agencies, such as public expenditure management and statistical development. Table A1.5 of Appendix 1 provides a matrix on development coordination.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

23. ADB's current portfolio in the Maldives comprises five active loans: Third Power System Development Project, Postsecondary Education Development Project, Regional Development Project, Outer Islands Electrification (Sector) Project, and Information Technology Development Project. One loan, Strengthening of the Public Accounting System Project, is expected to be effective in June 2003. The overall performance of the ongoing loan projects has been generally satisfactory. The Maldives' portfolio indicators are in Tables A1.6–A1.9 of Appendix 1.

24. A country portfolio review mission fielded in October 2002 reviewed all ongoing loan and technical assistance (TA) activities, identified generic as well as project-specific problems, and discussed remedial measures to improve portfolio performance and facilitate project implementation. All the ongoing projects have been either highly satisfactory or satisfactory in terms of development objectives and implementation progress. However, relatively weak performance has been identified in the following specific project implementation issues: (i) delays in key project activities including recruitment of consultants and installation of project equipment and civil works, (ii) inadequate counterpart staffing, (iii) delayed submission of audited financial statements, and (iv) delays in the signing of TA letters.

25. One of the major reasons for the relatively weak performance of procurement has been human resources constraints. Procurement suffered from delays due to the shortage of government staff with sufficient experience and knowledge in the tendering process. Thus, the process, including preparation of bidding documents and evaluation, takes time, leading to delays in project implementation. In this context, the mission and the Government understood the importance of (i) provision of sufficient consultancy or advisory services for direct assistance

to project implementation work, (ii) provision of training and seminars for government officials to enhance their familiarity with ADB's guidelines and project implementation work, and (iii) appropriate utilization of advance procurement/retroactive financing.

26. The country portfolio review mission and the Government agreed upon an action plan to improve portfolio performance, key measures of which include: inclusion in the loan projects of sufficient consultancy or advisory services for direct assistance to project implementation work and training of project management unit staff, provision of training and seminars for government officials to enhance their familiarity with ADB's guidelines and project implementation work, appropriate utilization of advance procurement/retroactive financing, appointment of project management unit staff at the earlier stages of loan processing, enhancement of the capacity of the implementing agencies and the Ministry of Finance and Treasury as the Executing Agency (EA), and strict application of the rules on the submission of audited financial statements.

B. Performance Monitoring and Evaluation

27. Since there is no ADB resident mission in the Maldives, project implementation has been monitored by project review missions and country portfolio review missions from ADB headquarters. On the government side, the Ministry of Finance and Treasury, as the EA of all ADB-financed projects, takes responsibility for trying to ensure timely project implementation. Given the small size of the portfolio, the monitoring system has generally been adequate. However, the shift of ADB's focus to the atolls for poverty reduction will require a greater effort to monitor and evaluate projects, including, among others, a thorough assessment at the stage of project formulation of the institutional capacity to implement projects in remote islands. Since the last CSP update for the Maldives was endorsed, there has been no work on performance evaluation of ADB's projects.

IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Lending Level Proposed

28. An indicative lending of \$18.0 million, or an annual average of \$6.0 million, is programmed for 2004–2006. The Maldives' performance was rated highly in the country performance assessment. However, the proposed Asian Development Fund lending levels are subject to the outcome of the annual performance-based allocation exercise and overall Asian Development Fund resource availability. The assessment of the country-specific criteria (Table A1.12) will be the basis for triggering high, base, or low lending scenarios each year. The country-specific criteria were developed to address the key macroeconomic, social, and structural challenges in undertaking the country performance assessment and reviewing the progress of the Poverty Reduction Partnership Agreement, including the deteriorating fiscal balance, the urgent need for youth employment, and the importance of financial sector development. In the past, the Maldives' performance in meeting the country-specific criteria has been satisfactory. Depending on ADF resource availability in 2004, the ADF lending program will need to be reviewed. The issue will be revisited and confirmed during the Country Program Confirmation Mission. The 2005 and 2006 ADF lending program will depend on the outcome of the discussions regarding ADF replenishment.

29. The proposed lending program for 2004–2006 consists of three projects: Regional Development (Phase II), Transport Infrastructure Development (formerly called Interisland Transport Development Project), and Islands Electrification Project (Phase II). The proposed program is consistent with the priorities identified in the Government's Sixth National

Development Plan and with ADB's CSP for the Maldives, and focuses on development of the atolls. The assistance pipeline for lending products is in Table A1.10 of Appendix 1.

30. The Regional Development Project (Phase II) will support a part of the Government's wide-ranging efforts to develop a series of regional development nodes. In this second phase, the focus will be on social infrastructure, including water supply, sanitation, solid waste management, land use planning, and environmental monitoring in the Central North, Central, and Central South regions. The Transport Infrastructure Development Project will spur economic activities and improve access to better social services in the atolls by establishing a system of interisland transportation. The Islands Electrification Project (Phase II) is a follow-on project of the ongoing Outer Islands Electrification Project, and will focus on provision of electrification system on the islands that are not covered by the ongoing project. The scope of these projects is tentative and will be firmed up during project processing. While the three projects in the pipeline for 2004–2006 are expected to be classified as poverty intervention, the classification will be further reviewed in the course of project formulation.

B. Nonlending Program

31. An indicative nonlending assistance of \$3.0 million, or annual average of \$1.0 million, is programmed for 2004–2006. The current nonlending assistance pipeline focuses on project preparation, human resources development, and economic and social development in the atolls. The assistance pipeline for nonlending products and services is given in Table A1.11 of Appendix 1.

C. Summary of Changes to Lending and Nonlending Program

32. There have been a few changes in the 2004–2006 program. With regard to ADB's assistance in small and medium-sized enterprise development, the need for preparatory work on specific areas before providing a loan project has been recognized. Accordingly, two nonlending activities to explore the potential for commercialization of agriculture and mariculture and to develop credit schemes in the atolls have been added, and a loan project, Development of Small and Medium-Sized Enterprises in the Atolls, has been postponed to 2007. A loan project, Transport Infrastructure Development, has been advanced to 2005. A nonlending assistance project for graduation planning has been dropped, since the United Nations Development Programme is currently providing substantial assistance on this issue. Two new nonlending projects for human resources development have been added.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A1.1: Progress Toward the Millennium Development Goals and Targets

| Goals and Targets | Country Status |
|---|--|
| Goal 1: Eradicate Extreme Poverty and Hunger | |
| Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1/day. | The Maldives undertook its first national survey on poverty in 1998. It showed that 43% of the population is below the poverty line of Rf15 (\$1.30 as of 1998). The Government and the Asian Development Bank have entered into the poverty reduction partnership agreement, which aims to reduce poverty incidence to 25% by 2015. |
| Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger. | There is no incidence of hunger/abject poverty. |
| Goal 2: Achieve Universal Primary Education | |
| Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. | 100% enrollment to primary schools has been achieved. However, only 80% complete primary schooling. |
| Goal 3: Promote Gender Equality and Empower Women | |
| Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015. | The ratio of girls to boys enrolled in primary and secondary schools has been 100%. |
| Goal 4: Reduce Child Mortality | |
| Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate. | The under-5 mortality rate per 1,000 live births has been reduced from 48 in 1990 to 26 in 2001. |
| Goal 5: Improve Maternal Health | |
| Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio (MMR). | The MMR per 100,000 live births has been reduced from 200 in 1990 to 143 in 2001. |
| Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases | |
| Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS. | The spread of HIV/AIDS has been insignificant. |
| Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases. | Communicable diseases including malaria, leprosy, and filariasis are under control. |
| Goal 7: Ensure Environmental Sustainability | |
| Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. | Preservation of the ecosystem is one of the key development items for the country under the Sixth National Development Plan (2001–2005). |
| Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water. | The proportion has increased to 91% in 1998 from 58% in the early 1980s. |
| Target 11: By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers. | There are no slum dwellers. |

HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

Table A1.2: Country Economic Indicators

| Item | Fiscal Year | | | | |
|--|-------------|---------|-------------------|---------|---------|
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| A. Income and Growth | | | | | |
| 1. GDP per Capita (\$, current) | 2,071 | 2,214 | 2,300 | 2,258 | 2,201 |
| 2. GDP Growth (% in constant prices) | 8.2 | 7.2 | 4.8 | 3.5 | 4.3 |
| Agriculture | 7.0 | 3.5 | -0.7 | 5.1 | 9.6 |
| Industry | 17.2 | 12.4 | 1.6 | 8.1 | 1.4 |
| Services | 8.9 | 6.8 | 6.0 | 2.4 | 4.3 |
| B. Saving and Investment (current and market prices) | | | | | |
| | | | (% of GDP) | | |
| 1. Gross Domestic Investment | — | — | — | — | — |
| 2. Gross National Saving | — | — | — | — | — |
| C. Money and Inflation | | | | | |
| | | | (annual % change) | | |
| 1. Consumer Price Index | -1.4 | 3.0 | -1.2 | 0.7 | 0.9 |
| 2. Total Liquidity (M2) | 22.8 | 3.6 | 4.1 | 9.0 | 19.3 |
| D. Government Finance | | | | | |
| | | | (% of GDP) | | |
| 1. Revenue and Grants | 30.4 | 32.1 | 32.3 | 33.0 | 33.7 |
| 2. Expenditure and Onlending | 32.3 | 36.1 | 36.7 | 37.7 | 41.1 |
| 3. Overall Fiscal Surplus (Deficit) | -1.9 | -4.1 | -4.4 | -4.7 | -7.4 |
| E. Balance of Payments | | | | | |
| 1. Merchandise Trade Balance (% of GDP) | -41.9 | -44.5 | -37.4 | -37.9 | -33.0 |
| 2. Current Account Balance (% of GDP) | -4.5 | -13.4 | -8.2 | -9.2 | -7.5 |
| 3. Merchandise Export (\$) Growth (annual % change) | 6.7 | -4.3 | 18.8 | 1.4 | 18.1 |
| 4. Merchandise Import (\$) Growth (annual % change) | 1.5 | 13.6 | -3.4 | 1.3 | -2.4 |
| F. External Payments Indicators | | | | | |
| 1. Gross Official Reserves (including gold, \$ million) | 119.9 | 128.5 | 124.1 | 94.3 | 134.5 |
| In months of current year's imports of goods | 4.1 | 3.8 | 3.8 | 2.9 | 4.1 |
| 2. External Debt Service (% of exports of goods and services) | 3.5 | 3.9 | 4.2 | 4.3 | 4.5 |
| 3. Total External Debt (% of GDP) | 34.2 | 31.5 | 28.5 | 29.1 | 36.0 |
| G. Memorandum Items | | | | | |
| 1. GDP (current prices, Rf million) | 6,356.9 | 6,935.4 | 7,348.4 | 7,650.8 | 8,063.3 |
| 2. Exchange Rate (Rf/\$, average) | 11.77 | 11.77 | 11.77 | 12.29 | 12.80 |
| 3. Population (million) | 0.26 | 0.27 | 0.27 | 0.28 | 0.28 |

— = not available, GDP = gross domestic product.

Sources: Ministry of Planning and National Development and Maldives Monetary Authority.

Table A1.3: Country Poverty and Social Indicators

| Item | Period | | |
|---|------------------|-----------------|------------------------|
| | 1990 | 1995 | Latest Year |
| A. Population Indicators | | | |
| 1. Total Population (million) | 0.21 | 0.24 | 0.28 (2002) |
| 2. Annual Population Growth Rate (% change) | 3.4 (1985–1990) | 2.7 (1990–1995) | 1.9 (1995–2000) |
| B. Social Indicators | | | |
| 1. Total Fertility Rate (births/woman) | — | 5.4 | 2.8 (2000) |
| 2. Maternal Mortality Rate (per 100,000 live births) | 200 | — | 143 (2001) |
| 3. Infant Mortality Rate (below 1 yr/1,000 live births) | 34 | 32 | 21 (2000) |
| 4. Life Expectancy at Birth (years) | 65 | 70 | 71 (2000) |
| Female | — | — | 72 (2000) |
| Male | — | — | 71 (2000) |
| 5. Adult Literacy (%) | 98 | — | 99 (1999) |
| Female | — | — | 99 (1999) |
| Male | — | — | 99 (1999) |
| 6. Primary School Gross Enrollment (%) | — | — | 98 (1999) |
| 7. Secondary School Gross Enrollment (%) | — | — | 50 (1998) |
| 8. Child Malnutrition (% below age 5) | 56.1 (1980–1985) | — | 39 (1990–1997) |
| 9. Population Below Poverty Line (International, %) | — | — | 43 ^a (1998) |
| 10. Population with Access to Safe Water (%) | 58 (1980–1985) | — | 91 (1998) |
| 11. Population with Access to Sanitation (%) | — | — | 84 (1998) |
| 12. Public Education Expenditure (% of GDP) | — | 4.7 | 7.7 (2000) |
| 13. Human Development Index | 0.497 | — | 0.739 (1999) |
| Rank | 112/173 | — | 77/162 (1999) |
| 14. Gender-Related Development Index | — | — | 0.735 (1999) |
| Rank | — | — | 69/146 (1999) |
| C. Poverty Indicators | | | |
| 1. Poverty Incidence | — | — | 43 ^a (1998) |
| 2. Percent of Poor to Total Population | — | — | 43 ^a (1998) |
| Malé | — | — | 20 (1998) |
| Atolls | — | — | 50 (1998) |
| 3. Poverty Gap | — | — | — |
| 4. Poverty Severity Index | — | — | — |
| 5. Inequality (Theil L Index) | — | — | — |
| 6. Human Poverty Index | — | — | 15.8 (1998) |
| Rank | — | — | 25/90 (1998) |

— = not available, GDP=gross domestic product.

^a Based on Rf15 (\$1.30 as of 1998) per day per person.

Sources: Ministry of Planning and National Development. 1998. *Vulnerability and Poverty Assessment*. Malé; Ministry of Planning and National Development. 2001. *Sixth National Development Plan*. Malé; Ministry of Planning and National Development. 2001. *2001 Statistical Yearbook of Maldives*. Malé; United Nations Development Programme. 2001. *Human Development Report 2001*. New York; and the Government of Maldives.

Table A1.4: Country Environment Indicators

| Indicator | 1990 | Latest Year | |
|---|------|-------------|--------|
| A. Energy Efficiency of Emissions | | | |
| 1. GDP/Unit of Energy Use (PPP\$/kgoe) | — | — | |
| 2. Traditional Fuel Use (% of total energy use) | — | — | |
| 3. Carbon Dioxide Emissions | — | — | |
| Tons | — | — | |
| Tons per capita | — | 1.2 | (1997) |
| B. Water Pollution: Water and Sanitation | | | |
| 1. % Urban Population with Access to Safe Water | — | 100 | (1998) |
| 2. % Rural Population with Access to Safe Water | — | 88 | (1998) |
| 3. % Urban Population with Access to Sanitation | — | 99 | (1998) |
| C. Land Use and Deforestation | | | |
| 1. Forest Area (million hectares) | — | 0.0 | (2000) |
| 2. Average Annual Deforestation | — | 0.0 | (2000) |
| Square Kilometers | — | 0.0 | (2000) |
| % Change | — | 0.0 | (2000) |
| 3. Rural Population Density (people/km ² of arable land) | — | 19,922 | |
| 4. Arable Land (% of total land) | — | — | |
| 5. Permanent Cropland (% of total land) | — | — | |
| D. Biodiversity and Protected Areas | | | |
| 1. Nationally Protected Area | — | 0.0 | (2000) |
| Million Hectares | — | 0.0 | (2000) |
| % of Total Land | — | 0.0 | (2000) |
| 2. Mammals (number of threatened species) | — | 0 | |
| 3. Birds (number of threatened species) | — | 1 | |
| 4. Higher Plants (number of threatened species) | — | — | |
| 5. Reptiles (number of threatened species) | — | — | |
| 6. Amphibians (number of threatened species) | — | — | |
| E. Urban Areas | | | |
| 1. Urban Population | | | |
| Millions | 0.06 | 0.07 | (2000) |
| % of Total Population | 25.6 | 27.4 | (2000) |
| 2. Per Capita Water Use (liters/day) | — | — | |
| 3. Wastewater Treated (%) | — | — | |
| 4. Solid Waste Generated Per Capita (kg/day) | — | — | |

— = not available, GDP = gross domestic product, kg = kilogram, kgoe = kilograms of oil equivalent, km² = square kilometer, PPP = purchasing power parity.

Sources: Ministry of Planning and National Development. 1998. *Vulnerability and Poverty Assessment* Malé; Ministry of Planning and National Development. 2000. *Population and Housing Census of Maldives 2000*, Malé; and United Nations Development Programme. 2001. *Human Development Report 2001*, New York; World Bank. *The Little Green Data Book 2002*. 2002. Washington, DC.

Table A1.5: Development Coordination Matrix

| Sector/Thematic/Area | ADB Strategy/Activities | Other Development Partners' Strategy/Activities |
|--------------------------------|---|--|
| Regional Development | Foster regional development by provision of economic and social infrastructure <ul style="list-style-type: none"> - Regional Development Project (1999) - Regional Development Project (Phase II) (2004) | IDB: Provision of infrastructure <ul style="list-style-type: none"> - Cofinancing for ADB Regional Development Project |
| Education | Develop postsecondary education and skills development <ul style="list-style-type: none"> - Postsecondary Education Development Project (1998) - Postsecondary Education and Skills Development Project (2003) Develop a master plan for the education sector <ul style="list-style-type: none"> - Education Master Plan | World Bank: Develop primary and secondary education and teacher training <ul style="list-style-type: none"> - Third Education Development Project (2001) AusAid: Provide scholarship programs for tertiary education. |
| Information and Communications | Establish government network and promote telecommunications sector reforms <ul style="list-style-type: none"> - Information Technology Development Project (2001) | UNDP: Promote community-based information utilization and formulate national information technology policy |
| Energy | Expansion of power supply capacity in Malé <ul style="list-style-type: none"> - Third Power System Development Project (1997) Promote electrification of outer islands <ul style="list-style-type: none"> - Outer Islands Electrification Project (2001) - Islands Electrification Project (Phase II) (2006) | Japan (JICA): Promote electrification of outer islands |
| Transport | Formulate a transport master plan <ul style="list-style-type: none"> - Transport Master Plan (2002) Develop transport system in the atolls <ul style="list-style-type: none"> - Transport Infrastructure Development (2005) | Kuwait Fund: Develop selected transportation infrastructure including airport upgrading and regional port Denmark/DANIDA: Develop ports/harbors |
| Fisheries and Agriculture | Create employment opportunities in the atolls <ul style="list-style-type: none"> - Commercialization of Agriculture and Mariculture (2004) | World Bank: Formulate a fisheries sector master plan |
| Finance and Industry | Develop small and medium-sized enterprises (SMEs) in the atolls <ul style="list-style-type: none"> - Commercialization of Agriculture and Mariculture (2004) - Development of Credit Schemes in the Atolls (2005) - Development of SMEs in the Atolls (2007) | UNDP: Small-scale pilot programs for microcredit in selected outer islands Commonwealth Secretariat: Advise on financial sector development and reforms IFC: Establishment of a leasing company |

| Sector/Thematic/Area | ADB Strategy/Activities | Other Development Partners' Strategy/Activities |
|---------------------------------------|---|---|
| | | IMF: Policy dialogue on financial sector reforms IDB: Microcredit project in the atolls World Bank: Establishment of a Financial Intelligence Unit |
| Health | | WHO: Provide various assistance to augment human resource, improve health services delivery, reduce high maternal mortality rate, improve nutrition status, and promote health sector reforms IDB: Construction and Upgrading of regional hospitals UNICEF: |
| Good Governance and Capacity Building | Promote improved public sector management including better fiscal management and prepare for possible graduation from LDC status - Strengthening Public Accounting System Project (2002) - Revenue Diversification (2002) - Debt Management (2003) - Capacity Building for the National Statistical System (2003) | UNDP: Undertake poverty survey IMF: Advise on fiscal, monetary, and foreign exchange policies World Bank (with ADB): Public expenditure management |
| Private Sector Development | Telecommunications Sector Reforms - Information Technology Development Project (2001) | |
| Environmental Management | Address environmental concerns under various investment projects - Regional Development Project (1999) - Regional Development Project (Phase II) (2004) | Japan (JICA): Promote protection from coastal erosion and sea level rise - Seawall and water-break construction Australia (AusAid): Facilitate protected area management |

ADB = Asian Development Bank, DANIDA = Danish International Development Agency, IDB = Islamic Development Bank, IFC = International Finance Cooperation, IMF = International Monetary Fund, LDC = least developed country, UNDP = United Nations Development Programme, WHO = World Health Organization.

Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2002)

| Sector | Net Loan Amount | | Total | | Rating ^a | | | | | | | | Potential Problem ^b | | At Risk ^c | |
|-----------------------------------|-----------------|--------------|----------|--------------|---------------------|----------|--------------|--------------|---------------------|----------|----------------|----------|--------------------------------|----------|----------------------|----------|
| | | | | | Highly Satisfactory | | Satisfactory | | Partly Satisfactory | | Unsatisfactory | | | | | |
| | \$ million | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % | No. | (%) |
| Agriculture and Natural Resources | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Energy | 15.2 | 34.1 | 2 | 33.3 | — | — | 2 | 33.3 | — | — | — | — | — | — | — | — |
| Finance | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Industry and Nonfuel Minerals | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Multisector | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Others | 5.1 | 11.4 | 1 | 16.7 | — | — | 1 | 16.7 | — | — | — | — | — | — | — | — |
| Social Infrastructure | 14.1 | 31.6 | 2 | 33.3 | — | — | 2 | 33.3 | — | — | — | — | — | — | — | — |
| Transport and Communications | 10.2 | 22.9 | 1 | 16.7 | — | — | 1 | 16.7 | — | — | — | — | — | — | — | — |
| Total | 44.6 | 100.0 | 6 | 100.0 | — | — | 6 | 100.0 | — | — | — | — | — | — | — | — |

No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2002)

| Disbursements and Transfers | OCR | ADF | Total |
|---|------------|------------|--------------|
| Disbursements^a | | | |
| Total Funds Available for Withdrawal (\$ million) | 0.0 | 39.4 | 39.4 |
| Disbursed Amount (\$ million, cumulative) | 0.0 | 11.1 | 11.1 |
| Percentage Disbursed (disbursed amount/total available) | 0.0 | 28.2 | 28.2 |
| Disbursements (\$ million, latest year) | 0.0 | 6.3 | 6.3 |
| Disbursement Ratio (%) ^b | 0.0 | 19.6 | 19.6 |
| Net Transfer of Resources (\$ million) | | | |
| 1997 | 0.0 | (0.1) | (0.1) |
| 1998 | 0.0 | (0.02) | (0.02) |
| 1999 | 0.0 | 0.7 | 0.7 |
| 2000 | 0.0 | 2.2 | 2.2 |
| 2001 | 0.0 | 5.6 | 5.6 |

ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Includes all loans with disbursements during 2002.

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Source: Asian Development Bank estimates.

Table A1.8: Portfolio Indicators—Evaluation Rating by Sector
(1998–2002)

| Sector | Highly Successful | | Successful | | Partly Successful | | Unsuccessful | | No Rating | | Total | |
|-----------------------------------|-------------------|---|------------|--------------|-------------------|---|--------------|---|-----------|---|----------|--------------|
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Agriculture and Natural Resources | — | — | — | — | — | — | — | — | — | — | — | — |
| Energy | — | — | 1 | 50.0 | — | — | — | — | — | — | 1 | 50.0 |
| Finance | — | — | — | — | — | — | — | — | — | — | — | — |
| Industry and Nonfuel Minerals | — | — | — | — | — | — | — | — | — | — | — | — |
| Multisector | — | — | — | — | — | — | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | — | — | — | — |
| Social Infrastructure | — | — | — | — | — | — | — | — | — | — | — | — |
| Transport and Communications | — | — | 1 | 50.0 | — | — | — | — | — | — | 1 | 50.0 |
| Total | — | — | 2 | 100.0 | — | — | — | — | — | — | 2 | 100.0 |

Source: Asian Development Bank project (program) audit reports.

Table A1.9: Portfolio Implementation Status
(public sector loans, as of 31 December 2002)

| No. | Sector | Loan No. | Seg | Title | Net Loan Amount | | Approval Date | Effective Date | Closing Date | | Progress (% complete) |
|--------------|--------|----------|-----|---|------------------|------------------|---------------|----------------|--------------|-------------|-----------------------|
| | | | | | OCR (\$ million) | ADF (\$ million) | | | Original | Revised | |
| 1 | ENE | 1532 | — | Third Power System Development | 0.0 | 6.6 | 9 Sep 1997 | 17 Apr 1998 | 30 Jun 2001 | 30 Jun 2002 | 98 |
| 2 | SOC | 1637 | — | Postsecondary Education Development | 0.0 | 6.3 | 30 Sep 1998 | 20 Apr 1999 | 31 Jul 2004 | — | 48 |
| 3 | SOC | 1695 | — | Regional Development | 0.0 | 7.8 | 2 Sep 1999 | 2 Mar 2000 | 31 Dec 2004 | — | 47 |
| 4 | T&C | 1882 | — | Information Technology Development | 0.0 | 10.2 | 17 Dec 2001 | 31 Jul 2001 | 30 Jun 2005 | — | — |
| 5 | ENE | 1887 | — | Outer Islands Electrification (Sector) | 0.0 | 8.6 | 18 Dec 2001 | 25 Jul 2001 | 31 Dec 2005 | — | — |
| 6 | OTH | 1915 | — | Strengthening of Public Accounting System | 0.0 | 5.1 | 27 Sep 2002 | — | 30 Jun 2006 | — | — |
| Total | | | | | 0.0 | 44.6 | | | | | |

ADF = Asian Development Fund, ENE = energy, No. = number, OCR = ordinary capital resources, OTH = others, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC = social infrastructure, T&C = transport and communications.
Source: Asian Development Bank estimates.

Table A1.9: Portfolio Implementation Status (continued)

| No. | Sector | Loan No. | Seg | Title | Cumulative Contracts/Commitments (\$ million) | Cumulative Disbursements (\$ million) | Rating | | Potential Problem ^a | At Risk ^b |
|--------------|--------|----------|-----|---|---|---------------------------------------|--------|----|--------------------------------|----------------------|
| | | | | | | | IP | DO | | |
| 1 | ENE | 1532 | — | Third Power System Development | 6.1 | 5.1 | S | HS | No | No |
| 2 | SOC | 1637 | — | Postsecondary Education Development | 2.9 | 1.6 | S | S | No | No |
| 3 | SOC | 1695 | — | Regional Development | 4.8 | 4.3 | S | S | No | No |
| 4 | T&C | 1882 | — | Information Technology Development | 0.5 | 0.0 | S | S | No | No |
| 5 | ENE | 1887 | — | Outer Islands Electrification (Sector) | 1.4 | 0.1 | HS | HS | No | No |
| 6 | OTH | 1915 | — | Strengthening of Public Accounting System | — | — | S | S | No | No |
| Total | | | | | 15.7 | 11.1 | | | | |

ADF = Asian Development Fund, DO = development objectives, ENE = energy, HS = highly satisfactory, IP = implementation progress, No. = number, OCR = ordinary capital resources, OTH = others, S = satisfactory, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC = social infrastructure, T&C = transport and communications.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Table A1.10: Assistance Pipeline for Lending Products, 2004–2006

| Sector Project/Program Name | Poverty Classifi- cation | Thematic ^a Priority | Division | Year of Project Preparatory Assistance | Total | Cost (\$ million) | | | | Cofi- nancing |
|--|--------------------------------|-----------------------------------|----------|---|------------|-------------------|------------|------------|------------------|------------------|
| | | | | | | ADB | | Gov't. | Cofi- nancing | |
| | | | | | | OCR | ADF | | | |
| 2004 Firm Loan | | | | | | | | | | |
| Social Infrastructure | | | | | | | | | | |
| Regional Development Project (Phase II) | PI | ENV | SASS | 2002 | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |
| Total | | | | | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |
| 2005 Firm Loan | | | | | | | | | | |
| Transport and Communications | | | | | | | | | | |
| Transport Infrastructure Development | PI | ECO/PSD | SATC | 2004 | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |
| Total | | | | | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |
| 2006 Firm Loan | | | | | | | | | | |
| Energy | | | | | | | | | | |
| Islands Electrification (Phase II) | PI | ECO | SAEN | 2005 | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |
| Total | | | | | 8.0 | 0.0 | 6.0 | 6.0 | 2.0 | tbd |

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = economic growth, ENV = environment, HD = human development, OCR = ordinary capital resources, PI = poverty intervention, PSD = private sector development, SAEN = South Asia Energy Division, SATC = South Asia Transport and Communication Division, SASS = South Asia Social Sectors Division, tbd = to be determined.

^a Thematic priority will be revised once its acronyms are finalized.

Source: Asian Development Bank.

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2004–2006

| Sector Assistance Name | Responsible Division | Assistance Type | Sources of Funding | | | | Total (\$'000) |
|--|-------------------------|--------------------|--------------------|--------------------|----------|--------------------|-------------------|
| | | | ADB | | Others | | |
| | | | Source | Amount (\$'000) | Source | Amount (\$'000) | |
| 2004 | | | | | | | |
| Agriculture and Natural Resources | | | | | | | |
| Commercialization of Agriculture and Mariculture | SAAE | ETSW | TASF | 150 | — | — | 150 |
| Subtotal | | | | 150 | — | — | 150 |
| Education | | | | | | | |
| Education Master Plan | SASS | ETSW | TASF | 350 | — | — | 350 |
| Subtotal | | | | 350 | — | — | 350 |
| Transport and Communications | | | | | | | |
| Transport Infrastructure Development | SATC | PP | Tbd | 500 | — | — | 500 |
| Subtotal | | | | 500 | — | — | 500 |
| Others | | | | | | | |
| Country Economic Review | SAOC | ETSW | Staff/IAE | — | — | — | — |
| Subtotal | | | | — | — | — | — |
| Total | | | | 1,000 | — | — | 1,000 |
| 2005 | | | | | | | |
| Energy | | | | | | | |
| Islands Electrification (Phase II) | SAEN | PP | tbd | 400 | — | — | 400 |
| Subtotal | | | | 400 | — | — | 400 |
| Education | | | | | | | |
| Human Resources Development Master Plan | SASS | ETSW | TASF | 300 | — | — | 300 |
| Subtotal | | | | 300 | — | — | 300 |
| Finance | | | | | | | |
| Development of Credit Schemes in the Atolls | SAGF | ETSW/ID | TASF | 300 | — | — | 300 |
| Subtotal | | | | 300 | — | — | 300 |
| Total | | | | 1,000 | — | — | 1,000 |
| Others | | | | | | | |
| 1. Poverty Assessment Update | SAOC | ETSW | SC/IAE | — | — | — | — |
| 2. Governance and Institutional Assessment | SAOC/SAGF | ETSW/ID | SC/IAE | — | — | — | — |
| 3. Private Sector Assessment | SAOC | ETSW | SC/IAE | — | — | — | — |
| 4. County Economic Review | SAOC | ETSW | Staff/IAE | — | — | — | — |
| Subtotal | | | | — | — | — | — |
| Total | | | | 1,000 | — | — | 1,000 |

| Sector Assistance Name | Responsible Division | Assistance Type | Sources of Funding | | | | Total (\$'000) |
|--|-------------------------|--------------------|--------------------|--------------------|----------|--------------------|-------------------|
| | | | ADB | | Others | | |
| | | | Source | Amount (\$'000) | Source | Amount (\$'000) | |
| 2006 | | | | | | | |
| Multisector | | | | | | | |
| Housing Support for Regional Development | SASS | ETSW | TASF | 400 | — | — | 400 |
| Subtotal | | | | 400 | — | — | 400 |
| Industry and Trade | | | | | | | |
| Development of SMEs in the Atolls | SAGF | PP | tbd | 600 | — | — | 600 |
| Subtotal | | | | 600 | — | — | 600 |
| Others | | | | | | | |
| 1. Gender Assessment | SAOC | ETSW | SC/IAE | — | — | — | — |
| 2. Environment Assessment | SAOC | ETSW | SC/IAE | — | — | — | — |
| 3. Country Economic Review | SAOC | ETSW | SC/IAE | — | — | — | — |
| Subtotal | | | | — | — | — | — |
| Total | | | | 1,000 | — | — | 1,000 |

— = not available, ADB = Asian Development Bank, ETSW = economic, thematic, and sector work, IAE = internal administrative expense, ID = institutional development, PP = project preparation, SAAE = South Asia Agriculture, Environment, and Natural Resource Division, SAEN = South Asia Energy Division, SAGF = South Asia Governance, Finance, and Trade Division, SAOC = South Asia Operations Coordination Division, SASS = South Asia Social Sectors Division, SATC = South Asia Transport and Communication Division, SC = staff consultant, SME = small and medium-sized enterprise, TASF = Technical Assistance Special Fund, tbd = to be determined.

Source: Asian Development Bank.

Table A1.12: Lending Scenarios and Performance Triggers

| Low Case | Base Case | High Case |
|---|---|---|
| <ul style="list-style-type: none"> The Government has not initiated its preparation process for a national development plan for 2006 onward. | <ul style="list-style-type: none"> The Government has initiated its preparation process for a national development plan for 2006 onward. The Government has set a timeframe of the preparation process. | <ul style="list-style-type: none"> A preparation process for the national development plan for 2006 onward has progressed. Consultations with stakeholders are ongoing. |
| <ul style="list-style-type: none"> Weak commitment to consolidate the increasing fiscal deficit | <ul style="list-style-type: none"> The Government's commitment to consolidate the increasing fiscal deficit Substantial progress in implementing key measures which will contribute to lowering the fiscal deficit including: new tax regimes have been in place, a new public accounting system has been put in place and a program budgeting has been a norm. | <ul style="list-style-type: none"> The Government's strong commitment to consolidate the increasing fiscal deficit Key measures which will contribute to lowering the fiscal deficit are fully in place: new tax regimes have been put in place, a new public accounting system has been put in place and a program budgeting has been a norm. The Government has set short- and medium-term targets for fiscal deficit. |
| <ul style="list-style-type: none"> The Government's poor actions to address employment of young people | <ul style="list-style-type: none"> The Government's actions to address employment of young people A plan/program has been announced to increase skills development and vocational training opportunities for young people | <ul style="list-style-type: none"> The Government's concrete actions to address employment of young people Skills development and vocational training opportunities for young people have been increased |
| <ul style="list-style-type: none"> Little progress in financial sector reforms | <ul style="list-style-type: none"> Progress in financial sector reforms Adoption of road maps to address key financial sector issues including introducing foreign banks, further developing the capital markets, further developing nonbank financial systems, introducing market-based monetary policy. | <ul style="list-style-type: none"> Substantial progress in financial sector reforms Implementation of key financial sector policies including introducing foreign banks, further developing the capital markets, further developing nonbank financial systems, introducing market-based monetary policy. |

| Low Case | Base Case | High Case |
|---|--|--|
| <ul style="list-style-type: none"> • Unsatisfactory implementation progress of ongoing projects <ul style="list-style-type: none"> - Disbursement ratio low - Percentage of projects at risk high - Substantial delays in project implementation | <ul style="list-style-type: none"> • Satisfactory implementation progress of ongoing projects <ul style="list-style-type: none"> - Disbursement ratio around ADB average - Percentage of projects at risk around ADB average - Government's plans to address delays firmly in place | <ul style="list-style-type: none"> • Highly satisfactory implementation progress of ongoing projects <ul style="list-style-type: none"> - Disbursement ratio high - Percentage of projects at risk low - Minimal delays in project implementation |

ADB = Asian Development Bank.

CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products.

- (i) Table A2.1: Regional Development Project (Phase II)
- (ii) Table A2.2: Transport Infrastructure Development
- (iii) Table A2.3: Islands Electrification (Phase II)

CONCEPT PAPERS FOR LENDING PRODUCTS

**Table A2.1: Regional Development Project (Phase II)
Concept Paper**

Date: 31 July 2003

| | | |
|--|--|---|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p> | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social Sector Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><input type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input checked="" type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> </td> <td style="width: 50%; vertical-align: top;"> <p><input checked="" type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p> </td> </tr> </table> | <p><input type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input checked="" type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> | <p><input checked="" type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p> |
| <p><input type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input checked="" type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> | <p><input checked="" type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p> | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | |
| <p>4. Responsible division/department: South Asia Social Sectors Division</p> | | |
| <p>5. Responsible ADB officer: Eva Mayerhofer</p> | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: There are large disparities in development between Malé and the outer atolls of the Maldives, where most of the poor live. Economic opportunities are limited, and the difference in income between Malé and the outer atolls is about 2:1. Access to social and physical infrastructure, such as water supply, sanitation, solid waste management, health facilities, and schools is markedly poorer in these regions. Many (primarily men) migrate to Malé in search of employment and better living conditions. Malé, however, is struggling to cope with the needs of its rapidly growing population, which has increased fourfold over the last 20 years.</p> | | |

Regional development is acknowledged as one of the solutions for the wide inequity in development in the Maldives, both by the Government and ADB's country strategy. The first Regional Development Project (Loan 1695-MLD, approved in 1999) is providing improvements in sanitation, rainwater collection, water quality monitoring, roads, solid waste management, and environmental improvements that would increase fishing yields, etc. in an attempt to promote more equitable development in the atolls. The first project was limited to the Northern and Southern development regions.

The proposed Project will build on the first project, and promote human development further, through the provision of basic urban services and improved environmental management focused on the South Central, Central, and North Central regions.

b. Goal and purpose: The Project will support the Government's goal of regional development aimed at spreading development more equitably throughout the Maldives. The primary purpose of the Project is to make investments that will improve living conditions and promote human development in the atolls, thereby supporting one dimension of the overall regional development initiative of the Government.

c. Components and outputs: Building on the experience of the first Regional Development Project financed by ADB, the project will examine potential investments in water supply, sanitation, solid waste management, and environmental monitoring. The project will also assist the Government in developing a clearly defined land use planning process that institutionalizes participation at all levels. The final investment project will (i) provide basic urban services and social infrastructure to the poor on a least-cost yet sustainable basis, (ii) provide for planned development and expansion of island settlements, and (iii) promote awareness for local management of pressing environmental concerns.

d. Expected results and deliverables: The Project is expected to improve the living conditions in the regional growth centers identified within the North Central, Central, and South Central regions. The institutional capacity for sustaining development in the atolls will also be improved.

e. Social or environmental issues or concerns: Contamination of the limited freshwater lenses of the islands is a widespread problem in many of the atolls. This problem is linked to inappropriate septic tank construction and solid waste management as well as excessive pumping of groundwater. The primary social concern is the widespread migration of men to Malé, resulting in high divorce rates, and island communities largely populated by female-headed households.

f. Plans for disseminating results/deliverables: The project benefits will be shared by local communities in the North Central, Central, and South Central regions.

7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency, and the Ministry of Atolls Administration will be the Implementing Agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government has been heavily involved in the conceptualization of the project, and will continue to play a key role through the PPTA. The Ministry of Planning and National Development, the Ministry of Atolls Administration, the Ministry of Health, and the Ministry of Home Affairs, Housing and Environment were all consulted in the development of the assistance. Community meetings and discussions with local governments in the target areas were also conducted.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2001
- b. Expected date of submission for approval
 - Lending: September 2004
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: 5 years beginning January 2005
 - Nonlending: Not applicable

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$6 million
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds
 - Other:

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistance, TA = technical assistance.

Table A2.2: Transport Infrastructure Development Concept Paper

Date: 31 July 2003

| | | |
|---|---|--|
| <p>1. Type/modality of assistance</p> <ul style="list-style-type: none"> <input type="checkbox"/> Lending <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other: <input type="checkbox"/> Nonlending <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other: | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector:</p> <p>b. For project preparatory and lending, classification</p> <ul style="list-style-type: none"> <input type="checkbox"/> Core poverty intervention <input checked="" type="checkbox"/> Poverty intervention <p>c. Key thematic areas</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection </td> </tr> </table> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <ul style="list-style-type: none"> <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection |
| <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <ul style="list-style-type: none"> <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input checked="" type="checkbox"/> Private sector development <input type="checkbox"/> Social protection | |
| <p>3. Coverage</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development | | |
| <p>4. Responsible division/department: South Asia Transport and Communication Division</p> | | |
| <p>5. Responsible ADB officers: Dong-Soo Pyo</p> | | |
| <p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: Given the scattered geographical nature of the country, poor accessibility is a major constraint to socioeconomic development of the outer islands. Unavailability of scheduled sea transport has led to limited access to social services including emergency medical treatment and better education, which are available only on the large islands. The high costs for delivering products to major markets in Malé and other large islands have placed producers of the remote islands in a disadvantaged position. Development of scheduled interisland transportation will therefore be of critical importance to reduce poverty and remedy disadvantages to the outer islands. Assistance to the development of interisland transport is in line with ADB's strategy, which aims at development of the outer islands through provision of basic infrastructure.</p> | | |

b. Goal and purpose: The goal of the Project is to spur economic activities and improve access to better social services in the atolls by establishing a system of interisland transportation, thus reducing poverty and disadvantages in the atolls.

c. Components and outputs: The Project will comprise specific interventions to (i) establish a system of interisland transport, including sea and air, and identify specific investment components required; (ii) define the role of both the public and private sectors in providing and operating such a transportation system; (iii) strengthen the capacity of the Ministry of Transport and local authorities as sector regulators, and (iv) enhance sector policy to enable adequate cost recovery for sustainable operation of the transportation system.

d. Expected results and deliverables: The Project will develop specific interventions to address the above components.

e. Social or environmental issues or concerns: No adverse social and environmental impacts are expected from the Project. Potential social and environmental impacts related to the proposed investment and policy development components will be examined during the project formulation process.

f. Plans for disseminating results/deliverables: The benefits of the Project will be enjoyed mainly by the people in the atolls.

7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency and the Ministry of Transport and Civil Aviation will be the Implementing Agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: In developing project design, full consultation with relevant stakeholders including the private sector and atoll local communities will be undertaken.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
 - Lending: 2005
 - Nonlending (project preparatory): 2004
 - Nonlending (other than project preparatory): Not applicable
- c. Period and duration of assistance
 - Lending: To be determined
 - Nonlending: 5 years

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$6 million
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined.

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$500,000 (To be determined)
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, TA = technical assistance.

**Table A2.3: Islands Electrification (Phase II)
Concept Paper**

Date: 31 July 2003

| | | | | | | | | | | |
|---|---|--|---|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p> <input checked="" type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Rural Electrification</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Energy Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Nianshan Zhang</p> | | | | | | | | | | |
| <p>6. Description of assistance:</p> <p>a. Background/linkage to country/regional strategy: Previous ADB projects focused on physical infrastructure improvements in Malé. This has proven successful, and future electricity supply projects in Malé will no longer require foreign aid. As such, consistent with the Government's national development plans and ADB's poverty reduction strategy, ADB has shifted its sector focus to rural electrification. The Government of the Maldives has decided to concentrate available resources on the accelerated development of 97 of the 200 inhabited islands (designated as focus islands), considering their administrative importance, population, and potential for development. This will reduce the high costs of developing and maintaining the social and physical infrastructure for a highly dispersed population. Of the 97 focus islands, 75 were identified for improvement of electricity supply over the next 5 years. The first Outer Islands Electrification Project focused on 40 of the 75 islands. This Project assist in designing interventions to focus on the remaining 35.</p> | | | | | | | | | | |

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| <p>b. Goal and purpose: The goal of the Project is to achieve balanced economic growth and equitable regional development, and thereby reduce poverty and vulnerability in the selected outer islands and also reduce the significant population pressures on Malé.</p> <p>c. Components and outputs: The Project will provide specific interventions to:</p> <ul style="list-style-type: none"> (i) expand and augment the power supply systems in about 35 islands to improve efficiency, quality, and reliability; (ii) strengthen the capacity of the sector regulator, Maldives Electricity Bureau, the Ministry of Planning and National Development, and the Ministry of Atolls Administration, to further implement its outer islands electrification plan; and (iii) strengthen the outer islands power supply utilities in providing electricity to beneficiaries. <p>d. Expected results and deliverables: Electricity supply capacity in remote islands will be augmented, which will contribute to improvement of quality of people's life and provide a basis for income generation activities.</p> <p>e. Social or environmental issues or concerns: No adverse social and environmental impacts are expected from the Project. Potential social and environmental impacts related to the proposed investment and policy development components will be examined during the project formulation process.</p> <p>f. Plans for disseminating results/deliverables: The Government and ADB will work with the island development committees, project stakeholders, and other aid agencies in developing the interventions.</p> |
| <p>7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency and the Ministry of Atolls Administration will be the Implementing Agency.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Only initial discussion with the Ministry of Atolls Administration has taken place. Further detailed discussions are expected in upcoming missions.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <ul style="list-style-type: none"> a. Year included in CSP update: 2003 b. Expected date of submission for approval <ul style="list-style-type: none"> Lending: 2006 Nonlending (project preparatory): 2005 Nonlending (other than project preparatory): Not applicable c. Period and duration of assistance <ul style="list-style-type: none"> Lending: To be determined Nonlending: 5 years |
| <p>10. Financing Plan</p> <ul style="list-style-type: none"> a. For lending <ul style="list-style-type: none"> <input type="checkbox"/> Ordinary capital resources: <input checked="" type="checkbox"/> Asian Development Fund: \$6 million <input type="checkbox"/> Other: <p>If cofinancing is required indicate sources, and amount sought: To be determined. If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined.</p> <ul style="list-style-type: none"> b. For nonlending <ul style="list-style-type: none"> <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: \$400,000 (To be determined) <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds): <p>If cofinancing is required indicate sources, and amount sought: To be determined If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined</p> |

ADB = Asian Development Bank, CSP = country strategy and program, TA = technical assistance.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products.

- (i) Table A3.1: Commercialization of Agriculture and Mariculture
- (ii) Table A3.2: Education Master Plan
- (iii) Table A3.3: Human Resources Development Master Plan
- (iv) Table A3.4: Development of Credit Schemes in the Atolls
- (v) Table A3.5: Housing Support for Regional Development
- (vi) Table A3.6: Development of Small and Medium-Sized Enterprises in the Atolls

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

**Table A3.1: Commercialization of Agriculture and Mariculture
Concept Paper**

Date: 31 July 2003

| | | |
|---|---|---|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p> | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Urban Development</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection </td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection |
| <input checked="" type="checkbox"/> Economic growth <input type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: | <input type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input type="checkbox"/> Social protection | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | |
| <p>4. Responsible division/department: South Asia Social Sectors Division</p> | | |
| <p>5. Responsible ADB officer: Loh Ai Tee</p> | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The Maldives has a narrow industrial base with virtually two key sectors of tourism and fisheries. This has been a major cause of the vulnerability of the economy against external shocks. The country is in need to promote economic diversification so that the economy will be influenced by external factors to less extent and income generation activities are created for atoll population. Agriculture has provided limited contribution to the country's economy, accounting for 3% of GDP. However, in the course of the Government's regional development initiative, potential of agriculture development, especially on the islands with large landmass, has been recognized. Mariculture has also been underdeveloped to date, but it is being recognized as a key potential area for economic diversification.</p> | | |

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| <p>b. Goal and purpose: The technical assistance (TA) will undertake an initial study to review the status of agriculture and mariculture in the country and explore their potential as new income generating activities in the atolls.</p> <p>c. Components and outputs: The TA will (i) review the existing capacity of agriculture and mariculture, (ii) review the Government's policy framework, (iii) assess potential for commercializing of the two areas, (iv) identify the need for policy reforms and investment, and (v) recommend an approach to incorporate these two areas into ADB's future assistance in developing small- and medium- sized enterprises (SMEs) in the atolls.</p> <p>d. Expected results and deliverables: The TA will produce a study report, which will be a key input to ADB's future intervention in SME development.</p> <p>e. Social or environmental issues or concerns: No issues are foreseen at this stage.</p> <p>f. Plans for disseminating results/deliverables: The study will be shared with concerned stakeholders.</p> |
| <p>7. Proposed executing/implementing agencies: Executing Agency: Ministry of Finance and Treasury; Implementing Agency: Ministry of Fisheries, Agriculture and Marine Resources.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Initial discussion with the Government has been undertaken.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2003</p> <p>b. Expected date of submission for approval Lending: Not applicable Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): August 2004</p> <p>c. Period and duration of assistance Lending: Nonlending: 3 months from September to November 2003.</p> |
| <p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: \$150,000 (TASF) <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: To be determined If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined</p> |

ADB = Asian Development Bank, CSP = country strategy and program, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A3.2: Education Master Plan
Concept Paper**

Date: 31 July 2003

| | | | | | | | | | | |
|--|---|---|---|--|---|---|---|--|--------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Social Sectors Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Leah Gutierrez</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Human resources development is a major strategic thrust of ADB's country strategy for the Maldives. ADB has been active in the education sector; it provided assistance in formulating the country's first education master plan in early 1990. The master plan guided the Government's educational policy in the past years, whose major results include the attainment of universal education in primary education. The first master plan will cover up to 2004, and there is the need to develop a new master plan for 2005 onward. The new master plan will address new key challenges the country is facing, such as expanding educational opportunities in the atoll, information technology education, and quality improvement in curriculum and school facilities.</p> <p>b. Goal and purpose: The technical assistance will help the Government develop a new education master plan which covers a ten-year period from 2005.</p> | | | | | | | | | | |

c. Components and outputs: The TA will (i) review the achievements under the first education master plan, (ii) identify the key challenges the new master plan needs to address, (iii) provide recommendations on the Government's future policy framework and investment programs, (iv) develop a time-bound action plan to implement the policy reforms and investment programs, and (v) propose a system of monitoring and evaluation of the new master plan.

d. Expected results and deliverables: A new education master plan will be developed. It will be a key input to the Government's national development plan for 2006 and onward.

e. Social or environmental issues or concerns: No social or environmental concerns are expected.

f. Plans for disseminating results/deliverables: The final master plan will be publicly reviewed and discussed.

7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency and the Ministry of Education will be the Implementing Agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:
The Government has shown strong ownership in developing a concept of this TA.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
 - Lending: Not applicable
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): II Quarter 2004
- c. Period and duration of assistance
 - Lending: Not applicable
 - Nonlending: 6 months

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$350,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined

ADB = Asian Development Bank, CSP = country strategy and program, LDC = least developed country, PMU = project management unit, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A3.3: Human Resources Development Master Plan
Concept Paper**

Date: 31 July 2003

| | | | | | | | | | | |
|---|---|---|---|--|---|---|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Social Sectors Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Leah Gutierrez</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: With the lack of educational opportunities in the country, the Maldives has been facing serious constraint in human capacity in all job areas. This has resulted in the significant reliance on expatriates, especially in highly skilled jobs. The country has taken advantage of scholarship programs for advanced training, but the expected decline in grant assistance from external funding agencies calls for the Government's new approach in utilizing scholarship programs and in developing in-country educational opportunities for advanced training. Currently, the Government does not have an integrated policy for human resources development and its interventions have been undertaken on an ad hoc basis.</p> <p>ADB has been the lead external agency in developing postsecondary education and skills training through physical investment and policy advice. This TA will complement ADB's past assistance by providing future directions in the Government's overall policy on human resources development.</p> | | | | | | | | | | |

b. Goal and purpose: The TA will assist the Government in developing a human resources development master plan, which will guide the Government's future policy development and investment programs for effective human resources capacity upgrading.

c. Components and outputs: The TA will review the current employment status in the Government and the private sector, analyze the extent of reliance on expatriates, explore potential areas for labor substitution by Maldivians, and recommend ways to achieve it with the focus on revisiting scholarship programs and developing in-county educational opportunities.

d. Expected results and deliverables: An human resources development master plan will be produced by this TA. The master plan will guide the Government's all human resources development activities, and thus contribute to more effective and consistent delivery of human resources development programs.

e. Social or environmental issues or concerns: No social and environmental issues are expected at this stage.

f. Plans for disseminating results/deliverables: The human resources development master plan will be made public.

7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency and the Ministry of Human Resource, Employment and Labor will be the Implementing Agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government has requested the assistance.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2003
- b. Expected date of submission for approval
 - Lending: Not applicable
 - Nonlending (project preparatory): Not applicable
 - Nonlending (other than project preparatory): IIIQ 2005
- c. Period and duration of assistance
 - Lending: Not applicable
 - Nonlending: 6 months

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds: \$300,000 (TASF)
 - Other:

If cofinancing is required indicate sources, and amount sought: To be determined

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A3.4: Development of Credit Schemes in the Atolls
Concept Paper**

Date: 31 July 2003

| | | | | | | | | | | |
|--|--|--|--|---|---|--|---|--|---------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> Other <p><input checked="" type="checkbox"/> Nonlending</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input checked="" type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Economic, thematic, and sector work <input checked="" type="checkbox"/> Institutional development <input type="checkbox"/> Other | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector:</p> <p>b. For project preparatory and lending, classification</p> <ul style="list-style-type: none"> <input type="checkbox"/> Core poverty intervention <input type="checkbox"/> Poverty intervention <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input checked="" type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other: | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input checked="" type="checkbox"/> Gender and development | <input checked="" type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other: | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Governance, Finance and Trade Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Yesim Elhan</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Creation of income-generation opportunities in the atolls is a key element to promote equitable development of the country, which is one of the ADB's strategic objective of its country strategy. Provision of credit to the people in the atoll is an important means to this end. However, the Government's credit schemes are being operated in an ad hoc manner, where various ministries have provided credit to the people in the atolls for various purposes due to the lack of integrated policy/programs for atolls credit. The Bank of Maldives is also providing credit to the atolls from its atoll banking cell, but its capacity is too limited to cater to the needs of the atoll population.</p> <p>b. Goal and purpose: The purpose of the TA is to undertake a study to improve credit schemes of the Government and the Bank of Maldives so that the atoll population will have greater access to credit and the country's credit schemes will be operated in an efficient and sustainable manner.</p> | | | | | | | | | | |

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| <p>c. Components and outputs: The components of the TA will include (i) assess the efficacy and effectiveness of the existing credit schemes of the Government and the Bank of Maldives, (ii) identify the need for credit in the atolls, and (iii) recommend policy and institutional reform measures to improve the existing schemes to meet the need.</p> <p>d. Expected results and deliverables: The study will be a basis for the Government's necessary actions in policy and institutional reforms in atoll credit. It will also be an input to the ADB's future assistance in developing SMEs in the atolls.</p> <p>e. Social or environmental issues or concerns: No social and environmental issues are expected at this stage.</p> <p>f. Plans for disseminating results/deliverables: The study will be shared with the public.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government has requested the assistance.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2003</p> <p>b. Expected date of submission for approval Lending: Not applicable Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): QIII 2005</p> <p>c. Period and duration of assistance Lending: Not applicable Nonlending: 6 months</p> |
| <p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds:\$300,000 (TASF) <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: To be determined If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined</p> |

ADB = Asian Development Bank, CSP = country strategy and program, NGO = nongovernment organization, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A3.5: Housing Support for Regional Development Concept Paper

Date: 31 July 2003

| | | | | | | | | | | |
|--|---|---|---|--|---|---|---|---|--------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Other Subsector: Public Sector Management</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input checked="" type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> | <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input checked="" type="checkbox"/> Social protection | <input type="checkbox"/> Other | |
| <input type="checkbox"/> Economic growth | <input checked="" type="checkbox"/> Human development | | | | | | | | | |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input checked="" type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Social Sectors Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Eva Mayerhofer</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Regional development through provision of basic social infrastructure is a key strategic thrust of ADB's country strategy for the Maldives. A key element of this initiative is to reverse the significant in-country migration to Malé looking for better employment and educational opportunities. The Government, with the assistance of key external agencies, has been promoting regional development by providing economic infrastructure such as roads, airport, and harbors and also social infrastructure including hospitals and schools. For the people's moving back to the atolls, it is necessary for the Government to provide support in housing in the key islands. This is also a key in supporting voluntary movement of the people in small islands to larger ones so as to the Government's investment for economic and social infrastructure will have maximum benefits from the viewpoint of economies of scale.</p> | | | | | | | | | | |

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| <p>b. Goal and purpose: The TA will provide recommendations for the Government's policy framework and investment priorities for housing support in the atolls.</p> <p>c. Components and outputs: The technical assistance will (i) review the Government's current policy framework and programs for atoll housing; (ii) develop a short-, medium-, and long-term plan for the people's in-country moving and settlement; (iii) develop recommendations for the Government's policy framework and investment priorities for housing support in the atolls.</p> <p>d. Expected results and deliverables: A policy framework and time-bound programs for the Government's support for atoll housing will be developed.</p> <p>e. Social or environmental issues or concerns: No issues are envisaged at this stage.</p> <p>f. Plans for disseminating results/deliverables: The result of the TA will be made available to the public.</p> |
| <p>7. Proposed executing/implementing agencies: Ministry of Finance and Treasury / Ministry of Atolls Administration</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Initial discussion has been undertaken with the Government.</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2003</p> <p>b. Expected date of submission for approval Lending: Not applicable Nonlending (project preparatory): Not applicable Nonlending (other than project preparatory): Quarter II 2006</p> <p>c. Period and duration of assistance Lending: Not applicable Nonlending: 6 months</p> |
| <p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: \$400,000 (TASF) <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: To be determined If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined</p> <p>ADB = Asian Development Bank, CSP = country strategy and program, TA = technical assistance, TASF = Technical Assistance Special Fund.</p> |

**Table A3.6: Development of Small and Medium-Sized Enterprises in the Atolls
Concept Paper**

Date: 31 July 2003

| | | | | | | | | | | |
|--|--|--|--|--|---|--|---|--|--------------------------------|--|
| <p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other</p> | | | | | | | | | | |
| <p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance and Industry Subsector: Small and Medium-sized Enterprise Development</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic areas</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | <input type="checkbox"/> Other | |
| <input checked="" type="checkbox"/> Economic growth | <input type="checkbox"/> Human development | | | | | | | | | |
| <input checked="" type="checkbox"/> Gender and development | <input type="checkbox"/> Good governance | | | | | | | | | |
| <input type="checkbox"/> Environmental protection | <input checked="" type="checkbox"/> Private sector development | | | | | | | | | |
| <input type="checkbox"/> Regional cooperation | <input type="checkbox"/> Social protection | | | | | | | | | |
| <input type="checkbox"/> Other | | | | | | | | | | |
| <p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> | | | | | | | | | | |
| <p>4. Responsible division/department: South Asia Governance, Finance and Trade Division</p> | | | | | | | | | | |
| <p>5. Responsible ADB officer: Yesim Elhan</p> | | | | | | | | | | |
| <p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: As men find gainful employment abroad or on resort (uninhabitable) islands, the gender-specific absenteeism increasingly witnessed in the atolls has exacerbated the vulnerability, mostly of women, the young, and those still residing in the atolls. Addressing this phenomenon and private sector development have been on the national development agenda of the Government of the Maldives, and this was articulated during ADB's last high-level interactions with the Government. The Government requested ADB to lend technical and financial support to facilitate private entrepreneurial development, the first step of which will be the development of SMEs and relevant financing schemes.</p> <p>b. Goal and purpose: The TA will design a loan project for developing SMEs in selected atolls and outer islands of the Maldives.</p> | | | | | | | | | | |

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| <p>c. Components and outputs: The TA will design a loan project that will (i) support development of SMEs (including necessary financing schemes, market accessibility plans, and entrepreneurial training) in the atolls; (ii) provide technical support for developing private businesses and increasing their market penetration; and (iii) generate employment for economically vulnerable segments of the population, contributing to the pro-poor growth initiatives of the Government.</p> <p>d. Expected results and deliverables: A self-sustaining, privately owned and operated SME network; and enhanced human capital through entrepreneurship training.</p> <p>e. Social or environmental issues or concerns: Given the very low level of employed women in the atolls, women's participation and involvement in SMEs will be prioritized.</p> <p>f. Plans for disseminating results/deliverables: The results and modalities of the economic efforts supported under the forthcoming loan project will be discussed with major beneficiaries at regular intervals during project implementation, folding constructive suggestions into project design. At the end of the Project, lessons learned will be compiled to guide future such efforts.</p> |
| <p>7. Proposed executing/implementing agencies: The Ministry of Finance and Treasury will be the Executing Agency and the Ministry of Women's Affairs and Social Security will be the Implementing Agency.</p> |
| <p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultations with the Ministry of Finance and Treasury / Ministry of Women's Affairs and Social Security, and approved by the Project Appraisal Committee of the Government</p> |
| <p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2001</p> <p>b. Expected date of submission for approval Lending: Quarter: Nonlending (project preparatory): IIQ 2006 Nonlending (other than project preparatory): Not applicable</p> <p>c. Period and duration of assistance Lending: Not applicable Nonlending: 8 months</p> |
| <p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input type="checkbox"/> Asian Development Fund: \$6 million</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: To be determined If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing): To be determined</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000 (To be determined)</p> <p><input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> |

ADB = Asian Development Bank, CSP = country strategy and program, SME = small and medium-sized enterprise, TA = technical assistance.