

**ASIAN DEVELOPMENT BANK**

**CSP: MLD 2004-09**

**COUNTRY STRATEGY AND PROGRAM UPDATE  
2005–2006**

**THE MALDIVES**

**August 2004**

## CURRENCY EQUIVALENTS

(as of 31 July 2004)

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

## ABBREVIATIONS

6NDP	—	Sixth National Development Plan
ADB	—	Asian Development Bank
ADF	—	Asian Development Fund
ADTA	—	advisory technical assistance
AFS	—	audited financial statements
BPT	—	business profit tax
CSP	—	country strategy and program
DMC	—	developing member countries
EA	—	executing agency
ECOSOC	—	Economic and Social Council under the United Nations
GDP	—	gross domestic product
IFC	—	International Finance Corporation
IMF	—	International Monetary Fund
LDC	—	least-developed country
MAB	—	Maldives Accreditation Board
ODA	—	official development assistance
OPEC	—	Organization for Petroleum Exporting Countries
PIU	—	project implementation units
PMU	—	project management units
PPTA	—	project preparatory technical assistance
PRPA	—	poverty reduction partnership agreement
PRVT	—	property rental value tax
SMEs	—	small and medium-sized enterprise
SOE	—	state-owned enterprise
TA	—	technical assistance
UNDP	—	United Nations Development Programme
US	—	United States
VPA	—	Vulnerability Poverty Assessment

## NOTES

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

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## **I. CURRENT DEVELOPMENT TRENDS AND ISSUES**

### **A. Recent Political and Social Developments**

1. After a period of relative political and social stability, civil protests broke out in the capital of the Maldives in September 2003. In October 2003, President Maumoon Abdul Gayoom was reelected for a sixth term in a presidential referendum. Gayoom promised that his administration would change the judiciary, the executive, and the powers of the parliament over the next 5 years to improve public-sector efficiency and good governance. In December 2003, the Government established the Human Rights Commission, and on 9 June 2004 the President invited wide public participation in the process of the proposed constitution reform. A special Maj'lis has been established in May 2004 to process the proposed reforms.

2. The Maldives has a narrow economic base relying on two key sectors: tourism and fishing. After Gayoom's re-election in October 2003, the Government began restructuring public services and undertaking policy reforms and strategy formulations in key sectors, realizing the urgent need to diversify its economy both to reduce its vulnerability to external shocks and to generate more employment, especially for the poor and youths in the outlying atolls. The Government restructured several ministries in late November 2003. The Government has also been fully aware of the need for appropriate national strategies to cope with the negative impacts of the country's potential graduation from its status as a least-developed country (LDC).

3. For the Maldives, poverty reduction primarily means reducing regional disparities. Poverty in the country is related to remoteness of the islands from the center and a lack of services in the atolls. The Government continues to prioritize the promotion of regionally balanced economic growth, with benefits spread more widely and equitably. Actions to start a number of atoll development projects have been initiated and several projects have been implemented. Appendix 1, Table A1.1, indicates the country's progress toward the Millennium Development Goals and Targets.

### **B. Economic Assessment and Outlook**

4. The Maldives' economy recovered toward the end of 2002 after experiencing ill effects from the events of September 2001. Economic recovery continued in 2003. The Maldives' gross domestic product (GDP) grew 8.4% in 2003 after growing 6.5% in 2002. Tourist arrivals in 2003 reached a record high of 563,593—an increase of 16.3% over 2002—in spite of the war in Iraq and the threat of severe acute respiratory syndrome (SARS). The tourism sector is still the most important sector in the Maldives' economy, contributing more than 30% to GDP. Fish landings in 2003 decreased by around 5% from 2002; however, fishing still accounts for about 7% of GDP. Fish exports increased significantly during 2002 and 2003 in terms of both volume and value.

5. Total government revenue and grants increased by 12.8% in 2003. Government revenue increased 3.8%—reflecting favorable economic developments—while the amount of grants received during the year declined 7.6%. Total expenditure grew 12.6% in 2003, up from 7.7% in 2002. The fiscal position for 2003 improved compared to 2002; the overall deficit declined from 4.9% of GDP in 2002 to 4.1% in 2003. A major part of the deficit was financed externally. Major foreign-financed projects in the 2003 budget include the Hulhumalé housing and infrastructure project and upgrades to the Gan airport. Starting 2004, the Government is planning not to recourse to automatic financing from the Central Bank for cash flow management during the year, but to use market based methods through treasury bills and bonds for such needs.

6. The performance of the external sector in 2003 was positive. Total exports and imports in 2003 increased by 12.8% and 18.1% respectively, over the 2002 level. The trade deficit increased by 21% because of a large amount of imports. The current account deficit for 2003 increased to \$48.1 million, or 6.9% of GDP, up from 5.6% in 2002. As in 2002, there has been an increase in disbursement of official development assistance (ODA) and an increase in private-sector capital inflows. Accordingly, the balance of payments posted a surplus of \$55.5 million, up \$15.7 million from \$39.8 million in 2002. Official reserves reached \$161 million at end-2003, providing cover for nearly 4.1 months of imports. External debt rose to \$264.2 million at end-2003, equivalent to about 38% of GDP. Debt service ratio was about 3.9%, with most debt contracted on concessional terms.

7. The performance of the Maldives' economy will continue to depend heavily on tourism. Although future growth is expected in tourism, the sector is vulnerable to external factors. Consistent with the Strategic Economic Plan (SEP), the Government is committed to promoting economic diversification as a means to increasing income generating activities, especially for the atoll population. As part of the economic diversification process, the Government has formed committees to develop plans to diversify exports and the industrial base. Future economic performance will also be influenced by the Maldives' possible graduation from LDC status. Graduation will have a direct impact on the debt burden because grant-dominated assistance blend would shift toward higher-cost loans.

### **C. Implications for Country Strategy and Program**

8. The Asian Development Bank's (ADB) country strategy and program (CSP) and poverty reduction partnership agreement (PRPA) of 2002 both prioritize (i) regional or atoll development by improving physical and public infrastructure; (ii) reduction of economic vulnerability by diversifying economic activity; (iii) pro-poor growth by assisting in developing the region, creating an enabling environment for private-sector development and new sources of employment and growth; (iv) support to good governance especially in improving public sector management efficiency and in promoting legal and judicial reforms; and (v) raising the level of social development through support to postsecondary education and employment skills development. The strategy outlined in the 2002 CSP, and made more specific in the following CSPUs, remains relevant to the country's development needs and should continue to be pursued. The key principles in the ADB President's planning directions for operational programs for 2004-2007 will also be followed: (i) strong ownership by developing member countries (DMCs); (ii) greater selectivity; (iii) results-based programming, focusing on improving portfolio management; and (iv) partnership with other development partners.

9. The Maldives' eligibility to maintain its LDC status depends on the Economic and Social Council (ECOSOC) of the United Nations (UN), whose meeting on this issue is tentatively scheduled for mid-2004. If ECOSOC decides the country is to graduate, a grace period will likely be granted to enable the government to prepare a transition strategy. The Government is fully aware of the need for appropriate national strategies to cope with the negative impacts of graduation and has initiated preparative actions. Apart from a change in the source of funding, the Maldives' graduation from LDC status will have little implication for ADB's short- and medium-term operations. ADB's programs will continue to focus on promoting economic diversification and employment—especially in the atolls—by providing basic economic, public, and social infrastructure.

## **II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM**

### **A. Progress in Poverty Reduction**

10. Since the Government and ADB signed the PRPA in March 2002, progress has been observed in some key target areas. These include more than 6% economic growth in the past 2 years; initial steps to further improve the fiscal management system; initial steps to diversify economic activity into other sectors of the economy; nurturing new sources of employment and growth; promoting good governance, including initial steps to improve the public accounting system; greater ease of access by the population in remote islands to public utilities and public-sector information; and greater involvement of local communities, the private sector, and local authorities in decision-making and delivery of public services.<sup>1</sup> Discussions are ongoing between the Government and its key development partners regarding the preparation of the Seventh National Development Plan (7NDP, 2006-2010). The Government is proposing that the 7NDP would also be considered a national poverty strategy for the country.

### **B. Progress in the Country Strategy and Program Focus Areas**

#### **1. Regional Development**

11. As prioritized in the Sixth National Development Plan (6NDP), the Government continues to pursue economic development initiatives in the key islands. These initiatives are being undertaken in tandem with infrastructure investment to spur regional economic growth. Activities such as regional airport upgrading, resort improvement and development, and harbor and marina development are nearing completion. Participatory development plans in selected atolls, to guide atoll- or region-based economic and social development, are also being completed. The plans will promote inter-island and intra-atoll economic and social development activities including transport network development, public utility services development and regulation, and comprehensive regional planning. ADB's assistance to improve living conditions and to promote human development in the atolls is being prepared under the second phase of a project for regional development to be approved in 2004.

#### **2. Education**

12. The quality of primary education has been further improved and further expansion of access to secondary and post-secondary education is being pursued. The gross enrollment ratio for the combined primary, secondary and tertiary education for female students is slightly higher than for male students'. On post-secondary education, the Government has come a long way in consolidating activities of the eight separate postsecondary institutes into one institution with a common identity and culture. The Maldives Accreditation Board (MAB) and the delivery of foundation courses to help prepare students for postsecondary education have also been made functional and operational.

13. Assisted by the ADB, the Government has initiated an employment skills training scheme to increase the size of the labor force. Employment-oriented skills training in various occupations is being planned and provided to make Maldivians more attractive to employers. The in-country capacity to deliver competency-based skills training will be strengthened. The Government is also initiating the preparation of a new legal education framework to support

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<sup>1</sup> The United Nations Development Programme (UNDP) and the World Bank (WB) are assisting the Government to conduct a survey to update the 1998 data of the Vulnerability Poverty Assessment (VPA). The updated survey data is expected to be available by the end of 2004.

provision of education for all, and to make postsecondary education more affordable to students within the framework of sustainable financing for education.

### **3. Financial Sector**

14. ADB has been working closely with the Government to strengthen public accounting and to improve governance, transparency, and accountability in public-sector operations. Central to ADB's financial sector development program over the next 3 years is Loan 1915: Strengthening of the Public Accounting System Project. The loan will support institutional and procedural changes in public finance. It will act as the backbone for all the other expenditure- and revenue-side support ADB is extending to the Maldives in order to develop a social security system, diversify revenue sources, manage domestic and foreign public debt, and form a foundation for the financial network at the atolls and island level. In this context, given the still pending effectivity of Loan 1915, the advisory technical assistance (ADTA) for the development of credit schemes in the atolls is now scheduled to be processed in 2006.<sup>2</sup>

### **4. Transport**

15. A lack of transport facilities adds to problems of remoteness and isolation, an important dimension of human poverty in the Maldives. To address the inter-island transport problem, ADB provided technical assistance (TA) to develop a transport masterplan to guide institutional capacity building and future sector investments from a long-term perspective, in line with the Government's regional development strategy. The transport master plan is being finalized and an ADB follow-up TA is scheduled to prepare a transport infrastructure development project for 2005. The private sector is expected to provide inter-island shipping services, while the Government is to provide ports, deepened harbors, and regulatory functions.

### **5. Energy**

16. Provision of reliable and efficient electricity supply in the outer islands is also important to reduce regional disparities and the vulnerability of the outer islands' population. ADB approved its first loan for the Outer Island Electrification (Sector) Project in December 2001, which will finance improved electricity supply systems on about 30 islands. This leaves many islands without sufficient electricity supply, so another loan for a follow-up project is planned in 2006 with project preparatory technical assistance (PPTA) to be conducted in 2005. However, the schedule for the project preparation for the next electrification loan will depend on satisfactory and timely progress in accomplishing the covenants under the last loan, including the requirement to establish new legislation that will enable legal recognition of community-owned power supply companies or cooperatives on the islands.<sup>3</sup>

### **6. Agriculture**

17. The Government has been developing agriculture, especially in the atolls to help promote economic diversification and regional development. Agriculture has thus far only accounted for 3% of GDP. The potential for agricultural development has been recognized, especially on islands with large landmasses. ADB is helping the Government undertake an

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<sup>2</sup> The last of the four conditions for loan effectiveness, the submission of three draft bills to the People's Majlis (parliament), is yet to be fulfilled, and is expected before the end of 2004.

<sup>3</sup> A domestic consultant has been engaged to assist the Government in preparing the draft legislation expected to be submitted to the People's Majlis in mid-2005.

initial study to review the status of agricultural development, and explore its potential as a new source of income especially for the atoll population.

## **7. Good Governance**

18. The Government has made a commitment to controlling the deficit and improving its fiscal position. For now, the Government plans to finance long-term deficits only through market-based instruments. Initial actions have been taken to introduce a new public accounting system to enable more comprehensive and updated control over public expenditures. Three draft bills have been prepared and the president's office is expected to submit them to the People's Majlis (parliament) before the end of 2004: (i) the Public Finance Bill, (ii) the Public Enterprise Accountability Bill, and (iii) amendments to the Audit Bill. The Government has also initiated actions to expand the tax base. An implementation plan for the business profit tax (BPT) including the property rental value tax (PRVT) is being devised and the enactment of relevant legislation and regulation will be supported.

19. The Government has initiated actions to formulate a medium-term macro economic framework to better plan economic development. A public expenditure management and budgeting workshop was held in June 2003 with the involvement of the World Bank and the International Monetary Fund (IMF). One outcome of the workshop was the decision that government budgets will be formulated under a medium-term expenditure framework from 2005 onwards. Under this approach, all line ministries and agencies will prepare multiyear budget frameworks, showing capital and recurrent expenditures.

20. ADB continues to assist the Government in capacity development—especially at key public institutions—as this issue is central to poverty reduction. An ADTA has been included in the 2005 ADB program to build on the staff consultancies in 2004 and to strengthen institutional capacity of selected government agencies.<sup>4</sup>

## **8. Regional Economic Cooperation**

21. As part of its effort to diversify its economy, the Maldives has recently been more active in pursuing closer trade ties with neighboring countries in South Asia. The environment has become more conducive for subregional cooperation following the South Asia Association and Regional Cooperation (SAARC) Summit in Islamabad in January 2004. A TA to explore the Maldives' economic cooperation potential has been implemented to help identify mutually beneficial opportunities for economic cooperation with other South Asian countries, in line with ADB's efforts to promote regional cooperation in South Asia. The draft report finds that the Maldives and other South Asian countries have generally strong export performances in similar product categories but not in the same specific products, implying opportunities for complementary intraregional trade. It also finds opportunities for cooperation with other South Asian countries in sectors such as tourism, fisheries, trade and investment, transport and communications, finance, education, medicine, and information technology. The findings in the final report were discussed during a workshop held in May 2004.

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<sup>4</sup> The Public Service Division of the Office of the President, and the Financial Institutions & External Debt Management Section, Ministry of Finance and Treasury.

### **C. Highlights in Coordination of External Funding and Partnership Agreement**

22. ADB maintains close coordination with key development partners, including UNDP, the World Bank, and IMF. Recent cooperation among major development partners has focused on human resource development, including employment skills, capacity building, and institutional development of key government ministries and agencies. ADB's and IMF's support to financial sector reform was closely coordinated. Coordination with the World Bank has focused on education and human resource development. Coordination with the UNDP, which has a resident representative in the country, has focused on undertaking a joint private-sector assessment, as well as cooperation in the areas of poverty reduction data collection and monitoring and strengthening capacity of selected government institutions.

## **III. PORTFOLIO MANAGEMENT ISSUES**

### **A. Portfolio Performance**

23. As of 31 December 2003, ADB's total public sector lending to the Maldives comprised \$83.7 million for 13 loans and \$16.2 million for 48 TAs. ADB current portfolio in the country comprises 7 active loans with a total value of \$53.6 million: Third Power System, Postsecondary Education Development, Regional Development, Information Technology Development, Outer Islands Electrification, Strengthening Public Accounting System, and Employment Skills Training. The loan for the Strengthening Public Accounting System Project, signed in September 2002, has yet to be declared effective because one condition—the submission of three draft bills to the People's Majlis—has to be met. Overall performance on loan projects is generally satisfactory.

24. A country portfolio review mission fielded in early December 2003 reviewed all ongoing loan and TA activities, identified generic as well as project-specific problems, and discussed remedial measures to improve portfolio performance. In terms of implementation progress, 5 of the 7 ongoing loans were rated satisfactory, and one loan as unsatisfactory.<sup>5</sup> As of 31 December 2003, 14.3% of the portfolio was considered at risk. Contract awards and loan disbursement ratios in 2003 (5.68% and 17.49%, respectively) were below ADB's averages (17.3% and 20.2%, respectively). This low disbursement rate is a result of the fact that (i) two loans approved in 2001 experienced long delays in initial implementation (nearly 1 year), and (ii) one loan approved in 2002 has not yet been declared effective.

### **B. Performance Monitoring and Evaluation**

25. The portfolio's risk ratio has improved since 2002, and overall performance is generally satisfactory. Two of the seven ongoing projects have been rated highly satisfactory in terms of development objectives, and the others are satisfactory. Six projects have been satisfactory and one unsatisfactory in terms of implementation progress. The unsatisfactory rating is due to the non-effectiveness of Loan 1915 one year after its approval (para. 14). In comparison with 2002's indicators of portfolio performance, the number of projects rated highly satisfactory and satisfactory increased in 2003. There was also a reduction in the number of potential problem projects or projects at risk. Slight improvement was also observed in terms of the establishment

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<sup>5</sup> ADB 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Maldives for Strengthening of the Public Accounting Systems*. Manila (Loan No. 1915, approved in September 2002, has not yet been declared effective).

of project management units (PMUs) and project implementation units (PIUs), the fielding of consultants, and in compliance with audited financial statements (AFS).

26. Project implementation is being monitored through project review and country portfolio review missions (CPRMs) from ADB headquarters. On the Government side, the Ministry of Finance and Treasury, as the executing agency of all ADB-assisted projects, is responsible for ensuring timely project implementation. Projects with the focus of poverty reduction in the atolls usually require a greater effort in terms of monitoring. One such project—also due to its complexity—is being monitored twice annually. Weak institutional capacity of implementing agencies has also been a barrier to smooth project preparation and implementation. An action plan designed to improve project performance was designed during the CPRM in December 2003 and agreed upon with the Government.

#### **IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS**

##### **A. Lending Level Proposed**

27. Indicative lending of \$6 million per annum is tentatively programmed for 2005-2006 for the Maldives. However, proposed ADF lending is subject to the outcome of annual performance-based allocation and the availability of resources from ADF IX. The proposed lending program for 2005-2006 consists of two firm projects (transport infrastructure development, and islands electrification project [Phase II]) and one standby project (development of SMEs in the Atolls). The proposed program is consistent with the priorities identified in 6NDP, and with ADB's 2002 CSP and PRPA. For reference, the 2004 assistance program for lending products and nonlending products and services is provided in Table A5.1 and Table A5.2, respectively.

28. The transport infrastructure development project will assist the Government to spur the economy and improve access to social services in the atolls by establishing an inter-island transport system. The island electrification project (Phase II) is a follow-on project on the ongoing Outer Islands Electrification Project, and will focus electrifying the islands not covered by the ongoing project. The project for the development of SMEs in the atolls will support activities such as financing, market accessibility plans, and entrepreneurial training to contribute to the Government's pro-poor growth initiatives.

##### **B. Nonlending Program**

29. An indicative nonlending assistance of \$2 million, or an annual average of \$1 million, is programmed for 2005-2006. The current nonlending assistance pipeline continues to focus on project preparation; human resources development, especially for the atolls; and good governance.

##### **C. Summary of Changes to Lending and Nonlending Program**

30. There is no change for the firm lending program for 2005 and 2006. The economic, thematic, and sector work ADTA for the Human Resources Development Master Plan for 2005 has been dropped since the Government is incorporating it in the integrated human resource development project financed by the World Bank. The ADTA for the development of credit schemes in the atolls has been deferred to 2006 because the effectiveness of Loan 1915: Strengthening of the Public Accounting System has been delayed. The processing of the PPTA for the islands electrification (phase II) in 2005 will depend on smooth implementation of outer

island electrification (I) which has been experiencing an initial delay of 1 year. The PPTA for the development of SMEs in the Atolls has been advanced from 2006 to 2005, with the loan on standby for 2006. The 2006 TA for the housing support for regional development has been renamed social infrastructure support for regional development. Subject to positive results and recommendations of the 2004 ADTA for the commercialization of agriculture, a PPTA under the same title has been included in 2006 TA program.

## COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

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

<b>Goals and Targets</b>	<b>Country Status</b>
<p><b>Goal 1: Eradicate Extreme Poverty and Hunger</b></p> <p>Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 per day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>The Vulnerability and Poverty Assessment done in 1998 showed that 43% of the population lived below the poverty line of Rf15 (\$1.30 as of 1998). The Poverty Reduction Partnership Agreement between the Government and ADB aims to reduce poverty incidence to 25% by 2015.</p> <p>There is no incidence of hunger.</p>
<p><b>Goal 2: Achieve Universal Primary Education</b></p> <p>Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>Universal access to primary schools has been achieved; around 97.5% complete primary schooling.</p>
<p><b>Goal 3: Promote Gender Equality and Empower Women</b></p> <p>Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.</p>	<p>The ratio of girls to boys enrolled in primary and secondary schools has been 100%.</p>
<p><b>Goal 4: Reduce Child Mortality</b></p> <p>Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.</p>	<p>The under-5 mortality rate per 1000 live births has been reduced from 48 in 1990 to 30 in 2000.</p>
<p><b>Goal 5: Improve Maternal Health</b></p> <p>Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality rate (MMR).</p>	<p>The MMR per 100,000 live births has been reduced from 480 in 1990 to 75 in 2001.</p>
<p><b>Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases</b></p> <p>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.</p> <p>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.</p>	<p>The spread of HIV/AIDS has been insignificant.</p> <p>Those diseases are under control.</p>
<p><b>Goal 7: Ensure Environmental Sustainability</b></p> <p>Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.</p> <p>Target 11: By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers.</p>	<p>Preservation of the ecosystem is one of the key development items for the country under the Sixth National Development Plan (2001-2005).</p> <p>The proportion has increased to 76.5% in 2000 from 58% in the early 1980s (for Maldives).</p> <p>There are no slum dwellers.</p>

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

Table A1.2: Country Economic Indicators

Item	Fiscal Year				
	1999	2000	2001	2002	2003
<b>A. Income and Growth</b>					
1. GDP per Capita (\$, current)	2,214.0	2,327.0	2,265.0	2,284.0	2,441.0
2. GDP Growth (% , in constant prices)	7.2	4.8	3.5	6.5	8.4
a. Agriculture	3.5	(0.7)	5.1	15.9	2.6
b. Industry	12.4	1.6	8.1	10.4	6.9
c. Services	6.8	6.0	2.4	4.7	9.6
<b>B. Saving and Investment</b> (current and market prices, % of GDP)					
1. Gross Domestic Investment	—	—	—	—	—
2. Gross National Saving	—	—	—	—	—
<b>C. Money and Inflation</b> (annual change)					
1. Consumer Price Index	3.0	(1.2)	0.7	0.9	(2.9)
2. Total Liquidity (M2)	3.6	4.1	9.0	19.3	15.0
<b>D. Government Finance</b> (% of GDP)					
1. Revenue and Grants	32.1	32.3	33.0	33.1	34.4
2. Expenditure and Onlending	36.1	36.7	37.7	38.0	38.5
3. Overall Fiscal Surplus (deficit)	(4.1)	(4.4)	(4.7)	(4.9)	(4.1)
<b>E. Balance of Payments</b>					
1. Merchandise Trade Balance (% of GDP)	(44.5)	(37.4)	(37.8)	(33.2)	(37.1)
2. Current Account Balance (% of GDP)	(13.4)	(8.2)	(9.4)	(5.6)	(6.9)
3. Merchandise Export (\$) Growth (annual % change)	(4.3)	18.8	1.4	18.1	13.0
4. Merchandise Import (\$) Growth (annual % change)	13.6	(3.4)	1.3	(2.4)	18.0
<b>F. External Payments Indicators</b>					
1. Gross Official Reserves (including gold, \$ million)	128.5	124.1	94.3	134.5	161.0
In months of current year's imports of goods	3.8	3.8	2.9	4.1	4.1
2. External Debt Service (% of exports of goods and services)	3.9	4.2	4.3	3.8	3.7
3. Total External Debt (% of GDP)	36.1	33.5	33.6	40.4	40.4
<b>G. Memorandum Items</b>					
1. GDP (current prices, Rf billion) <sup>c</sup>	6,935.4	7,348.4	7,650.8	8,201.0	8,905.8
2. Exchange Rate (Rf/\$, average) <sup>c</sup>	11.77	11.77	12.29	12.80	12.80
3. Population (million)	0.27	0.27	0.28	0.28	0.29

— = not available; GDP = gross domestic product, M2 = total liquidity, Rf = rufiyaa.

<sup>a</sup> Includes agriculture, fishing, coral and mining.

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

Table A1.3: Country Poverty and Social Indicators

Item	Period		
	1990	1995	Latest Year
<b>A. Population Indicators</b>			
1. Total Population (million)	0.21	0.24	0.29 (2003)
2. Annual Population Growth Rate (% change)	3.4	(1985–1990) 2.7	(1995–2000) 1.9
<b>B. Social Indicators</b>			
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 year/1,000 live births)	34	32	18 (2002)
4. Life Expectancy at Birth (years)	65	70	71 (2000)
Female	—	—	72 (2000)
Male	—	—	71 (2000)
5. Adult Literacy (%)	98	—	99 (2000)
Female	—	—	99 (1999)
Male	—	—	99 (1999)
6. Primary School Gross Enrollment (%)	—	—	99 (2001)
7. Secondary School Gross Enrollment (%)	—	—	31 (2001)
8. Child Malnutrition (% below age 5)	56.1	(1980–1985) —	39 (1990–1997)
9. Population Below Poverty Line (International, %)	—	—	43 <sup>a</sup> (1998)
10. Population with Access to Safe Water (%)	58	(1980–1985) —	76.5 (2000)
11. Population with Access to Sanitation (%)	—	—	80.5 (2000)
12. Public Education Expenditure (% of GDP)	4.0	4.7	7.7 (2000)
13. Human Development Index	0.497	—	0.751 (2001)
Rank	112/173	—	86/175 (2001)
14. Gender-Related Development Index	—	—	0.735 (1999)
Rank	—	—	69/146 (1999)
<b>C. Poverty Indicators</b>			
1. Poverty Incidence	—	—	43 <sup>a</sup> (1998)
2. Percent of Poor to Total Population	—	—	43 <sup>a</sup> (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

<sup>a</sup> 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. *2003 Statistical Yearbook of Maldives*. Malé; United Nations Development Programme. 2003. *Human Development Report 2003*. New York; and the Government of Maldives.

**Table A1.4: Country Environment Indicators**

Indicator	1990	Latest Year	
<b>A. Energy Efficiency of Emissions</b>			
1. GDP/Unit of Energy Use (PPP\$/kgoe)	—	—	
2. Traditional Fuel Use (% of total energy use)	—	—	
3. Carbon Dioxide Emissions	—	—	
Tons	—	—	
Tons per capita	—	0.54	(2001)
<b>B. Water Pollution: Water and Sanitation</b>			
1. % Urban Population with Access to Safe Water	—	100	(2000)
2. % Rural Population with Access to Safe Water	—	72.05	(2000)
3. % Urban Population with Access to Sanitation	—	100	(2000)
<b>C. Land Use and Deforestation</b>			
1. Forest Area (million hectares)	—	0.0	(2000)
2. Average Annual Deforestation	—	0.0	(2000)
Square kilometers (km <sup>2</sup> )	—	0.0	(2000)
% change	—	0.0	(2000)
3. Rural Population Density (people/km <sup>2</sup> of arable land)	—	19,922	
4. Arable Land (% of total land)	—	—	
5. Permanent Cropland (% of total land)	—	—	
<b>D. Biodiversity and Protected Areas</b>			
1. Nationally Protected Area	—	0.0 <sup>a</sup>	(2000)
Million hectares	—	0.0	(2000)
% of total land	—	0.0	(2000)
2. Mammals (number of threatened species)	—	2	(1993)
3. Birds (number of threatened species)	—	70	(2003)
4. Higher Plants (number of threatened species)	—	—	
5. Reptiles (number of threatened species)	—	5	(1995)
6. Amphibians (number of threatened species)	—	—	
<b>E. Urban Areas</b>			
1. Urban Population			
Million	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, km<sup>2</sup> = square kilometer, PPP = purchasing power parity

<sup>a</sup> Although there are no legally protected land areas in the Maldives, there are 23 protected marine dive sites.

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; United Nations Development Programme, 2003. *Human Development Report 2003*, New York; and World Bank. 2002. *The Little Green Data Book 2002*. Washington, DC.

**Table A1.5: Development Coordination Matrix**

<b>Sector/Thematic/Area</b>	<b>ADB Strategy/Activities</b>	<b>Other Development Partners' Strategy/Activities</b>
<b>Regional Development</b>	<p>Foster regional development by provision of economic and social infrastructure</p> <ul style="list-style-type: none"> <li>- Regional Development Project (1999)</li> <li>- Regional Development Project (Phase II) (2004)</li> </ul>	<p><b>IDB:</b> Cofinancing for Vilingili Water Supply and Sanitation, water supply and sewerage facilities in the atolls (2004), Infrastructure Development for Poverty Alleviation in the Atolls.</p> <p><b>OPEC Fund:</b> Villingili Water Supply and Sanitation.</p> <p><b>New Zealand:</b> Community rain water collection tanks in the atolls.</p> <p><b>United Nations:</b> Atoll Development for Sustainable Livelihood (UNDP); assistance for atoll development project (UNDP).</p>
<b>Education</b>	<p>Develop postsecondary education and skills development</p> <ul style="list-style-type: none"> <li>- Postsecondary Education Development Project (1998)</li> <li>- Employment Skills Training (2003)</li> </ul> <p>Develop a regulation framework for the education sector</p> <ul style="list-style-type: none"> <li>- Strengthening the Framework of Education Towards Vision 2020</li> </ul>	<p><b>AusAid:</b> Provide scholarship programs for tertiary education; English language skills of Atolls Administration.</p> <p><b>Belgium:</b> Early Education Teacher Training</p> <p><b>Canada:</b> Support for Disabled Children, Raising Disability Awareness, Construction of Pre-school cum Training Center</p> <p><b>IDB:</b> Fifth Male' Primary School, Regional Secondary School Project, Health and Education Project I and II</p> <p><b>Japan:</b> Reconstruction of Thaajudheen School</p> <p><b>New Zealand:</b> Scholarships programs and study awards.</p> <p><b>OPEC Fund:</b> Atolls Schools Upgrading</p> <p><b>Qatar:</b> Construction of Madrasah and Qatar Schools</p> <p><b>Saudi Arabia:</b> Construction of Islamic Studies Building</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p><b>Singapore:</b> Establishment of Kudafari Pre-school</p> <p><b>Sri Lanka:</b> Central Library</p> <p><b>UNDP:</b> Upgrading and Expansion of Atoll Schools</p> <p><b>UNICEF:</b> Early Child Development Supports, Mother and Child Nutrition, Quality Health Care for Mother and Children, Quality Learning Environment, Promotion of Quality Education</p> <p><b>UK:</b> British scholarships (small grants schemes – SGS)</p> <p><b>World Bank:</b> Develop primary and secondary education and teacher training, third education development project (2001), integrated human resource development project (2004)</p>
<b>Information and Communications Technology</b>	<p>Establish government network and promote telecommunications sector reforms</p> <ul style="list-style-type: none"> <li>- Information Technology Development Project (2001)</li> </ul>	<p><b>Brunei:</b> Establishment of Computer Network (Ministry of Foreign Affairs)</p> <p><b>India:</b> Computerization of Maldives Post Ltd.</p> <p><b>Singapore:</b> Establishment of ICT Venter in Kudafari</p> <p><b>United Nations:</b> Institutional Strengthening of Customs Data Processing System UNDP), Formulation of ICT Policy for Community based ICT Initiatives (UNDP)</p> <p><b>World Bank:</b> Export Services to Draft Telecom Legislation</p>
<b>Energy</b>	<p>Expansion of power supply capacity in Malé</p> <ul style="list-style-type: none"> <li>- Third Power System Development Project (1997)</li> </ul> <p>Promote electrification of outer islands</p> <ul style="list-style-type: none"> <li>- Outer Islands Electrification Project (2001)</li> <li>- Islands Electrification Project (Phase II) (2006)</li> </ul>	<p><b>Denmark/Uni Bank:</b> Third Power System Development Project</p> <p><b>Japan (JICA):</b> Promote Electrification of Outer Islands</p> <p><b>United Nations:</b> Assistance in Developing Sustainable Energy Policy (UNDP)</p>

<b>Sector/Thematic/Area</b>	<b>ADB Strategy/Activities</b>	<b>Other Development Partners' Strategy/Activities</b>
<b>Transport/Port/Airport</b>	Formulate a transport master plan <ul style="list-style-type: none"> <li>- Transport Master Plan (2002)</li> </ul> Develop transport system in the atolls <ul style="list-style-type: none"> <li>- Transport Infrastructure Development (2005)</li> </ul>	<b>Denmark/DANIDA:</b> Develop ports and/or harbors.  <b>HSBC/UK:</b> Gan Airport Upgrading  <b>IDB:</b> Villingili Harbor Development, Gan-Hithadhoo Extension Link Road  <b>Kuwait Fund:</b> Develop selected transportation infrastructure including airport upgrading and regional port.  <b>Netherlands/ING Bank:</b> Collector vessels.  <b>OPEC Fund:</b> Airport Upgrading and Southern Atolls Development.  <b>Saudi Fund:</b> Airport Upgrading.
<b>Fisheries and Agriculture</b>	Create employment opportunities in the atolls <ul style="list-style-type: none"> <li>- Commercialization of Agriculture and Mariculture (2004)</li> </ul>	<b>Australia:</b> Increasing income generation through Agriculture.  <b>Canada:</b> Manadhoo Farm Irrigation.  <b>Kuwait Fund:</b> Fisheries Sector Studies  <b>United Nations:</b> Improved handling of fresh fish (FAO), Agriculture officers training (FAO), integrated pest management of coconut hispid beetle (FAO), and Southern Atolls Development Project (IFAD).  <b>World Bank:</b> Fisheries Sector Report and Establishment of Bait Fishery.
<b>Finance and Industry</b>	Develop small and medium-sized enterprises (SMEs) in the atolls <ul style="list-style-type: none"> <li>- Commercialization of Agriculture and Mariculture (2004)</li> <li>- Development of Credit Schemes in the Atolls (2006)</li> <li>- Development of SMEs in the Atolls (2007)</li> </ul>	<b>China:</b> Agreement on Economic and Technical Cooperation.  <b>Commonwealth Secretariat:</b> Advise on financial sector development and reforms.  <b>IDB:</b> Microcredit project in the atolls.  <b>IFC:</b> Establishment of a leasing company.

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p><b>IMF:</b> Policy dialogue on financial sector reforms.</p> <p><b>UN:</b> Small-scale pilot programs for microcredit in selected outer islands (UNDP).</p> <p><b>World Bank:</b> Establishment of a Financial Intelligence Unit, anti-money laundering legislation, Establishment of Housing Development Finance Corporation (HDFC).</p>
<b>Health</b>		<p><b>HSBC:</b> CT Scanner/suppliers credit (1997)</p> <p><b>IDB:</b> Construction and Upgrading of regional hospitals, Faculty of Health Sciences, Health and Education Project – Phase I (2001) and II (2004).</p> <p><b>Japan:</b> Food aid.</p> <p><b>Qatar:</b> Assistance to “Society of Health Education.”</p> <p><b>UN:</b> reproductive health quality (UNFPA), access to safe water and environmental sanitation (UNICEF), provide various assistance to augment human resource (WHO), improve health services delivery (WHO), reduce high maternal mortality rate</p>
<b>Good Governance</b>	<p>Promote improved public sector management including better fiscal management and prepare for possible graduation from LDC status</p> <ul style="list-style-type: none"> <li>- Strengthening Public Accounting System Project (2002)</li> <li>- Revenue Diversification (2002)</li> <li>- Debt Management (2003)</li> <li>- Capacity Building for the National Statistical System (2003)</li> <li>- Enhancement of the Maldives Social Security System</li> </ul>	<p><b>EC:</b> Strengthening Regional Development Administration (2004-2005).</p> <p><b>IMF:</b> Advise on fiscal, monetary, and foreign exchange policies.</p> <p><b>UN:</b> Strengthening Aid Management Capacity (DER/MFA-UNDP); Capacity Building in Statistics (UNDP); Assistance to the National Human Rights Commission (UNDP), undertake poverty survey (UNDP).</p> <p><b>World Bank:</b> Social security Study (2003/2004) and Public Expenditure Management Reform.</p>

<b>Sector/Thematic/Area</b>	<b>ADB Strategy/Activities</b>	<b>Other Development Partners' Strategy/Activities</b>
<b>Environmental Management</b>	Address environmental concerns under various investment projects <ul style="list-style-type: none"> <li>- Regional Development Project (1999)</li> <li>- Regional Development Project (Phase II) (2004)</li> </ul>	<b>Australia (AusAid):</b> Facilitate protected area management.  <b>Canada:</b> Holhudhoo Waste Management.  <b>IDB:</b> Infrastructure Development for Poverty Alleviation in the Atolls.  <b>Japan (JICA):</b> Promote protection from coastal erosion and sea level rise, Seawall and water-break construction.  <b>UN:</b> Sustainable Use of Biodiversity associated with coral reef of Maldives (UNDP), awareness and incentives programs (UNEP).
<b>Gender and Development</b>		<b>UN:</b> Mainstreaming of Population and Gender in Development (UNFPA), Advocacy on Gender Equality and Male Participation through Mass Media (UNFPA).
<b>Construction and Land reclamation</b>	Post Secondary Education Development Project	<b>Belgium/Fortis Bank:</b> Hulhumale' reclamation and coastal work.  <b>China:</b> Construction of Ministry of Foreign Affairs building.  <b>Denmark:</b> Fuah Mulaku Harbor Project.  <b>Thailand/Exim Bank:</b> Hulhumale' Development.  <b>World Bank:</b> Assistance to Hulhumale' Development Programs and Assistance for Housing Development Finance Corporation (HDFC).

ADB = Asian Development Bank, AusAID = Australian Agency for International Development, DANIDA = Danish International Development Agency, EC = European Commission, IDB = Islamic Development Bank, IFC = International Finance Cooperation, IMF = International Monetary Fund, JICA = Japan International Cooperation Agency, LDC = least developed country, OPEC Fund = Organization of the Petroleum Exporting Countries Fund, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNFPA = United Nations Population Fund, UNICEF = United Nations Children Fund, WHO = World Health Organization.

**Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2003)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>								Potential Problem <sup>b</sup>		At Risk <sup>c</sup>	
					Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory					
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	(%)
Agriculture and Natural Resources	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Education	12.8	23.9	2	28.6	—	—	2	33.3	—	—	—	—	0	0.0	0	0.0
Energy	16.1	30.0	2	28.6	—	—	2	33.3	—	—	—	—	0	0.0	0	0.0
Finance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health, Nutrition, and Social Protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Industry and Trade	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Law and Public Sector Management	5.6	10.8	1	14.3	—	—	—	—	—	—	1	100.0	0	0.0	1	100.0
Multisector	8.0	14.9	1	14.3	—	—	1	16.7	—	—	—	—	0	0.0	0	0.0
Transport and Communications	11.1	20.7	1	14.3	—	—	1	16.7	—	—	—	—	0	0.0	0	0.0
Water Supply, Sanitation, and Waste Management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>53.6</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>

— = not available, No. = number.

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

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

Source(s): Asian Development Bank estimates.

**Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2003)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
<b>Disbursements<sup>a</sup></b>			
Total Funds Available for Withdrawal (\$ million) <sup>b</sup>	—	75.9	75.9
Disbursed Amount (\$ million, cumulative)	—	50.1	50.1
Percentage Disbursed (disbursed amount/total available)	—	66.1	66.1
Disbursements (\$ million, latest year)	—	5.0	5.0
Disbursement Ratio (%) <sup>c</sup>	—	17.5	17.5
<b>Net Transfer of Resources (\$ million)</b>			
1999	—	(0.2)	(0.2)
2000	—	0.7	0.7
2001	—	2.2	2.2
2002	—	5.6	5.6
2003	—	3.9	3.9

— = not available, ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Includes all loans with disbursements during 2003.

<sup>b</sup> Net loan amount less loans not yet effective, but including loans closed during the year.

<sup>c</sup> 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**  
(1998–2003)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Education	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0
Finance	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Health, Nutrition, and Social Protection	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Industry and Trade	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Law and Public Sector Management	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0
Water Supply, Sanitation, and Waste Management	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>100.0</b>

— = not available.

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

**Table A1.9: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2003)

Sector	Loan No.	Title	Net Loan Amount		Approval Date	Effective Date	Closing Date		Progress (% complete)
			OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
ED	1637	Postsecondary Education Development	—	6.6	30 Sep 98	20 May 99	31 Jul 04	31 Jan 06	55.0
ED	2028	Employment Skills Training	—	6.2	2 Dec 03	—	31 Mar 09	—	—
EN	1532	Third Power System	—	6.7	9 Sep 97	17 Apr 98	30 Jun 01	31 Dec 03	99.0
EN	1887	Outer Islands Electrification (Sector)	—	9.4	18 Dec 01	25 Jul 02	31 Dec 05	—	4.0
LW	1915	Strengthening of Public Accounting System	—	5.6	27 Sep 02	— <sup>a</sup>	30 Jun 06	—	—
ML	1695	Regional Development	—	8.0	2 Sep 99	2 Mar 00	31 Dec 04	—	90.0
TC	1882	Information Technology Development	—	11.1	17 Dec 01	25 Jul 02	30 Jun 05	—	12.0
<b>Total</b>			—	<b>53.6</b>					

— = not available; ADF = Asian Development Fund; AGR = agriculture and natural resources; ED = education; EN = energy; LW = law and public sector management; ML = multisector; No. = number; OCR = ordinary capital resources; TC = transport and communications.  
Source: Asian Development Bank estimates.

*Continued on next page*

Table A1.9—Continued

Sector	Loan No.	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
					IP	DO		
ED	1637	Postsecondary Education Development	3.4	3.2	S	S	No	No
ED	2028	Employment Skills Training Project	0.0	0.0	S	S	No	No
EN	1532	Third Power System	6.6	6.3	S	HS	No	No
EN	1887	Outer Islands Electrification (Sector)	1.4	0.4	S	HS	No	No
LW	1915	Strengthening of Public Accounting System	0.0	0.0	U	S	No	Yes
ML	1695	Regional Development	6.3	5.9	S	S	No	No
TC	1882	Information Technology Development	0.5	0.3	S	S	No	No
<b>Total</b>			<b>18.2</b>	<b>16.1</b>				

DO = development objectives; ED = education; EN = energy; HS = highly satisfactory; IP = implementation progress; LW = law and public sector management; ML = multisector; no. = number; OCR = ordinary capital resources; TC = transport and communications; PS = partly satisfactory; S = satisfactory; U = unsatisfactory.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> 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, 2005–2006**

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB			Gov't	
						OCR	ADF	Total		
<b>2005 Firm Loan</b>										
<b>Transportation and Communication</b>										
1. Transport Infrastructure Development	PI	ECO/PSD	SATC	2004	8.0	0.0	6.0	6.0	2.0	tbd
<b>Subtotal</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>Total</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>2006 Firm Loan</b>										
<b>Energy</b>										
1. Islands Electrification (Phase II)	PI	ECO	SAEN	2005	8.0	0.0	6.0	6.0	2.0	tbd
<b>Subtotal</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>Total</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>2006 Standby Loan</b>										
<b>Industry and Trade</b>										
1. Development of SMEs in the Atolls	PI	ECO/GAD/ PSD	SAGF	2005	8.0	0.0	6.0	6.0	2.0	tbd
<b>Subtotal</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>Total</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>

ADB = Asian Development Bank; ADF = Asian Development Fund; ECO = sustainable economic growth; GAD = gender and development; gov't = government; OCR = ordinary capital resources; PI = poverty intervention; PSD = private sector development; SAEN = South Asia Energy Division; SAGF = South Asia Governance; Finance and Trade Division; SATC = South Asia Transport and Communications Division; SME = small and medium scale enterprise; tbd = to be determined.

Source: Asian Development Bank estimates.

**Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2005–2006**

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2005</b>							
<b>Energy</b>							
1. Islands Electrification (Phase II)	SATC	PP	TASF	400.0		0.0	400.0
<b>Subtotal</b>				<b>400.0</b>		<b>0.0</b>	<b>400.0</b>
<b>Industry and Trade</b>							
2. Development of SMEs in the Atolls	SAGF	PP	TASF	600.0		0.0	600.0
<b>Subtotal</b>				<b>600.0</b>		<b>0.0</b>	<b>600.0</b>
<b>Multisector</b>							
3. Strengthening Capacity for Public Service Division and MOFT	SAOC	ID			tbd	250.0	250.0
<b>Subtotal</b>					<b>tbd</b>	<b>250.0</b>	<b>250.0</b>
<b>Others</b>							
4. Poverty Assessment Update	SAOC	ETSW	SC/IAE	—		—	—
5. Governance Assessment	SAGF	ETSW/ID	SC/IAE	—		—	—
6. Country Economic Review/Update				—		—	—
<b>Subtotal</b>				<b>—</b>		<b>—</b>	<b>—</b>
<b>Total</b>				<b>1,000.0</b>		<b>250.0</b>	<b>1,250.0</b>

*Continued on next page*

Table A1.11—Continued

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2006</b>							
<b>Agriculture and Natural Resources</b>							
1. Commercialization of Agriculture	SAAE	PP	TASF	300.0		0.0	300.0
<b>Subtotal</b>				<b>300.0</b>		<b>0.0</b>	<b>300.0</b>
<b>Industry and Trade</b>							
2. Development of Credit Schemes in the Atolls	SAGF	ETSW/ID	TASF	300.0		0.0	300.0
<b>Subtotal</b>				<b>300.0</b>		<b>0.0</b>	<b>300.0</b>
<b>Multisector</b>							
3. Social Infrastructure Support for Regional Development	SASS	PP	TASF	400.0	tdb	0.0	400.0
<b>Subtotal</b>				<b>400.0</b>		<b>0.0</b>	<b>400.0</b>
<b>Others</b>							
4. Gender Assessment	SAOC	ETSW	SC/IAE	—		—	—
5. Environment Assessment	SAOC	ETSW	SC/IAE	—		—	—
6. Country Economic Review	SAOC	ETSW	Staff	—		—	—
<b>Subtotal</b>				<b>—</b>		<b>—</b>	<b>—</b>
<b>Total</b>				<b>1,000.0</b>		<b>0.0</b>	<b>1,000.0</b>

ADB = Asian Development Bank; ETSW = economic, thematic, and sector work; IAE = internal administrative expense; ID = institutional development; MOFT = Ministry of Finance and Treasury; PP = project preparatory; SAAE = South Asia Agriculture, Environment & Natural Resources Division; SAGF = South Asia Governance, Finance and Trade Division; SAOC = South Asia Operations Coordination Division; SC = staff consultant; SME = small- and medium-sized enterprise; TASF = Technical Assistance Special Fund; tdb = to be determined.  
Source: Asian Development Bank staff.

## COUNTRY SECTOR AND THEMATIC STRATEGIES AND PLANS

### A. Education

1. The Government of the Maldives aims (i) to have 10 years of formal schooling in the basic education system, (ii) have good quality tertiary education, and (iii) to establish a system for providing technical skills for social and economic development. The Asian Development Bank's (ADB) strategy is to support the Government in achieving these goals, in coordination with the activities of other development partners.

**Table A2.1: Education Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Higher quality of primary and secondary education, increased access to postsecondary education and training			
<b>Sector Outputs:</b> Increased enrolment in secondary and postsecondary education enrolments, especially in the atolls; increased number of skilled Maldivians.		<b>Measurement Indicators</b>	
		<b>Current 2003</b>	<b>Targeted 2006</b>
		Secondary enrolment: 25,486	29,000
		Postsecondary enrolment: 1,781 (2002)	2,000
		Enrolment in skills training: 2,565 (2002)	2,500
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>Specific Inputs (including financing)</b>	
		<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>• No national education framework and action plan</li> <li>• Large number of untrained teachers in primary education resulting in low quality of teaching</li> <li>• Dependence on foreign teachers in secondary education</li> <li>• Limited number of secondary schools resulting in limited access to secondary education</li> <li>• Limited number of higher secondary schools resulting in limited access to higher secondary education</li> </ul>	<ul style="list-style-type: none"> <li>• Draft national education framework toward Vision 2020 by end of 2005</li> <li>• 150 more primary school teachers given teacher training by 2006</li> <li>• 20 more Maldivian secondary school teachers trained by 2006</li> <li>• 10 more secondary schools in the atolls by 2006</li> <li>• Higher secondary education offered in 10 more schools by 2006</li> </ul>	<ul style="list-style-type: none"> <li>• 2004-05, Proposed advisory technical assistance (ADTA) Strategic Frameworks towards Vision 2020, \$350,000</li> </ul>	<ul style="list-style-type: none"> <li>• 2000, World Bank (WB), Third Education Training Project (TETP), Loan, \$17.6 million</li> <li>• Government and WB, TETP</li> <li>• Government and WB, TETP</li> <li>• Government and WB, Proposed Integrated Human Development Project, Loan, \$15.6 million</li> </ul>

Table A2.1—Continued

Sector Constraints:	Sector Strategy and Milestones:	Specific Inputs (including financing)	
		ADB	Others
<ul style="list-style-type: none"> <li>• Dependence on foreign learning materials in secondary teaching resulting slower comprehension and lower pass rates in “O”-level exams.</li> <li>• Limited access to postsecondary education in the atolls</li> <li>• Limited access to preemployment skills training through public and private providers</li> </ul>	<ul style="list-style-type: none"> <li>• Locally developed materials in two subject areas by 2006</li> <li>• Maldives College of Higher Education (MCHE) offers more programs in the atolls</li> <li>• More skills training programs offered in Malé and the atolls from 2005</li> </ul>	<ul style="list-style-type: none"> <li>• 2004-2005, Proposed ADTA Strategic Frameworks towards Vision 2020 (\$350,000)</li> <li>• 1998, Postsecondary Education Development Project Loan (\$6.3 million)</li> <li>• 2004, Employment Skills Training Project Loan, \$6 million</li> </ul>	

ADB = Asian Development Bank, MCHE = Maldives College of Higher Education, TETP = Third Education and Training Project, WB = World Bank

## B. Gender and Development

2. The Government aims to mainstream gender and remove structural barriers to women’s participation in the government administration.

**Table A2.2: Gender and Development Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Improved gender equality and equal opportunities for its social and other development.			
<b>Sector Outputs:</b> Better quality of social services, improved social facilities and regulations conducive for promoting gender equality.		<b>Measurement Indicators</b> (to monitor progress toward outputs)	
		<b>Current</b>	<b>Targeted</b>
		<b>Specific Inputs (including financing)</b>	
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>• Gender and poverty-related disparities as a consequence of rapid economic development and breakdown of the traditional familial and social systems</li> <li>• Poorly implemented marriage and childcare laws</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage the government to address the strategic needs of women by strengthening of Ministry of Gender, Family Development and Social Security</li> <li>• Improving women’s decision-making role in administration and island management;</li> <li>• Improving the legal position of women with heightened legal literacy among women;</li> <li>• Enhancing the role of nongovernment organizations (NGOs) to give visibility to gender inequalities and help improve the position of women</li> </ul>	<ul style="list-style-type: none"> <li>• 2001-2004: Advisory technical assistance (ADTA) on enhancing the social security system (\$150,000)</li> <li>• 2004: ADTA Capacity Building for Regional Development (\$350,000)</li> <li>• 2004: Loan Employment Skills Training (\$6 million)</li> </ul>	<ul style="list-style-type: none"> <li>• United Nations Population Fund (UNFPA): mainstreaming of population and gender in development, advocacy of gender equality and male participation through mass media</li> </ul>

ADB = Asian Development Bank, MCHE = Maldives College of Higher Education, TETP = Third Education and Training Project, WB = World Bank

### C. Energy

3. In line with the Sixth National Development Plan (6NDP), the Government aims to accelerate the development of 97 of the 200 inhabited islands outside Male. Of these 97 focus islands, 75 were identified for improvement of electricity supply between 2003 and 2008.

**Table A2.3: Energy Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Sustainable regional development supporting economic growth in the outer islands/atolls.			
<b>Sector Outputs:</b> improved outer islands electrification generation and distribution, and strengthened institutional capacity of the outer islands institutions of electricity generation and distribution;		<b>Measurement Indicators</b> (to monitor progress toward outputs)	
		<b>Current</b> (2004)	<b>Targeted</b> (2006)
		No. of islands with improved electrification: 12	40
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>Specific Inputs</b> (including financing)	
		<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>• Inadequate electricity supply in the atolls; restricted operation hours, poor quality and inefficient systems</li> <li>• Weak capacity of electricity utilities in the outer islands</li> <li>• Lack of national code or standards for electricity supply</li> <li>• Pollution and greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Improves electricity supply in the outer islands</li> <li>• Build institutional capacity of the outer island electricity utilities and the Maldives Electricity Bureau (MEB)</li> <li>• Promote environmentally sustainable renewable energy technologies and remove barriers to enhancing adoption of such technologies</li> </ul>	<ul style="list-style-type: none"> <li>• 2001: Outer Islands Electrification Loan (\$8 million to cover 40 islands)</li> <li>• 2006: Outer Islands Electrification Loan II (\$6 million to cover 35 islands)</li> </ul>	<ul style="list-style-type: none"> <li>• Japan: electrification of outer islands</li> <li>• United Nations Development Programme (UNDP): assistance in developing sustainable energy policy</li> </ul>

ADB = Asian Development Bank, MCHE = Maldives College of Higher Education, TETP = Third Education and Training Project, WB = World Bank

## D. Finance and the Public Sector

4. The Government is to establish a policy and legal environment that facilitates private sector development, and in so doing, make its function more transparent, accountable, and efficient.

**Table A2.4: Finance and Public Sector Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Reformed financial sector and enhanced public sector management capacity to promote sustainable economic growth with greater participation by the private sector.			
<b>Sector Outputs:</b> An enabling public sector supporting national development with good policy and a conducive legal environment facilitating private sector development.		<b>Measurement Indicators</b> (to monitor progress toward outputs)	
		<b>Current</b>	<b>Targeted</b>
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>Specific Inputs</b> (including financing)	
		<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>No long-term financing institutions or securities market</li> <li>Shortages of long-term capital to finance investment</li> <li>Weak financial sector institutions</li> <li>Weak public sector management</li> </ul>	<ul style="list-style-type: none"> <li>Develop institutional savings to finance long-term investments and to extend the reach of development finance to the outer islands</li> <li>Introduce additional banking and non-banking financial institutions and instruments</li> <li>Development of capital market</li> <li>Build capacity of the sector, including macroeconomic policy management toward market-based systems</li> <li>Establish suitable credit facilities for small- and medium-sized enterprise (SME) development in the atolls</li> <li>Conduct feasibility study for a private-sector bank</li> <li>Enhance capacity of the Bank of Maldives for long-term lending</li> <li>Improve macroeconomic measures including fiscal management</li> <li>Build capacity for government financing system</li> <li>Assist privatization and revenue mobilization</li> <li>Improve public expenditure quality and management</li> <li>Introduce new tax measures</li> <li>Involve private sector in utilities</li> <li>Establish a utility regulatory authority, also covering the atolls</li> </ul>	<ul style="list-style-type: none"> <li>2004: Advisory technical assistance (ADTA)-Revenue Diversification (\$350,000)</li> <li>2006-ADTA– Development of Credit Schemes in the Atolls</li> <li>2004: Strengthening of the Public Accounting System Loan (\$5 million)</li> <li>2004: ADTA Debt Management (\$350,000)</li> <li>1997-2004: ADTA Capacity Building for the Maldives Public Accounting System (\$510,000)</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth Secretariat: advice on financial sector development and reforms</li> <li>Islamic Development Bank (IDB): microcredit project in the atolls</li> <li>International Monetary Fund (IMF): policy dialogue on financial sector reforms</li> <li>United Nations Development Programme (UNDP): small-scale pilot programs for microcredit in selected outer islands;</li> <li>World Bank: establishment of a financial intelligence unit;</li> <li>International Finance Corporation (IFC): establishment of a leasing company</li> </ul>

ADB = Asian Development Bank, MCHE = Maldives College of Higher Education, TETP = Third Education and Training Project, WB = World Bank

## E. Telecommunications

5. The Government aims to improve and expand effective, efficient, and affordable telecommunications access especially to the outer islands.

**Table A2.5: Telecommunications Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Sustainable regional development supporting economic growth in the outer islands.			
<b>Sector Outputs:</b> Effective access to the telecommunications system and ability to afford to use the system efficiently, especially for the outer islands.		<b>Measurement Indicators</b> (to monitor progress toward outputs)	
		<b>Current</b> 2004	<b>Targeted</b> 2008
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>Specific Inputs</b> (including financing)	
		<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>Costs of telephone service, especially international calls and internet access, are almost prohibitive</li> <li>Weak telecommunication s and information network among government agencies, especially between Male' and government institutions in the atolls</li> </ul>	<ul style="list-style-type: none"> <li>Improved affordability of telecommunications</li> <li>Appropriate independent telecommunications regulatory regime introduced</li> <li>Established national telecommunications policy spelling out the principles for a sector regulatory regime and restructuring of the telecommunications market</li> <li>Healthy competition in the telecommunications market by attracting private sector interest</li> <li>Improve telecommunications access and service to enhance public sector governance</li> <li>Increase efficient and effective use of modern telecommunications facilities to deliver services to remote island communities</li> <li>Build the expanded network to offer a range of electronic education, health, and commerce facilities, bringing services, market linkages and other valuable information to people in the remote atolls</li> </ul>	<ul style="list-style-type: none"> <li>2000: Advisory technical assistance (ADTA)- Science and Technology Master Plan (\$600,000)</li> <li>2001: Information Technology Development loan (\$9.5 million)</li> </ul>	<ul style="list-style-type: none"> <li>Brunei: establishment of computer network</li> <li>India: computerization of Maldives Post Ltd.</li> <li>Singapore: establishment of information and communication technology (ICT) in Kudafari</li> <li>United Nations Development Programme (UNDP): institutional strengthening of customs data processing system, formulation of ICT policy for community based ICT initiatives</li> </ul>

ADB = Asian Development Bank, ADTA = advisory technical assistance, ICT = information and communication technology, UNDP = United Nations Development Programme.

## F. Transport and Regional Development

6. The Government prioritizes regional development as a theme that cuts across the entire 6NDP including economic development, health care, education and infrastructure.

**Table A2.6: Transport and Regional Development Strategy**  
The Maldives

<b>Sector Outcome and Impacts:</b> Sustainable social and physical infrastructure development of the regions/outer islands to support economic diversification.			
<b>Sector Outputs:</b>		<b>Measurement Indicators</b> (to monitor progress toward outputs)	
		<b>Current</b>	<b>Targeted</b>
<b>Sector Constraints:</b>	<b>Sector Strategy and Milestones:</b>	<b>Specific Inputs</b> (including financing)	
		<b>ADB</b>	<b>Others</b>
<ul style="list-style-type: none"> <li>• Expensive government resettlement program</li> <li>• Expensive government regional social and physical infrastructure development program</li> <li>• Develop small business opportunities to support employment generation in the atolls</li> <li>• Poor accessibility of the outer islands</li> <li>• Poor physical infrastructure in the</li> </ul>	<ul style="list-style-type: none"> <li>• Current government resettlement policy might be replaced by a population consolidation policy with more limited provision for public sector resettlement support<sup>a</sup></li> <li>• Concentrate specific public investments and encourage population consolidation on selected focus islands, with primary islands to be provided with educational and health facilities, as well as other basic public utilities;</li> <li>• Attract lending from multilateral/ bilateral financial institutions and private sector;</li> <li>• Growing small- and medium-sized enterprises (SMEs) in the atolls</li> <li>• Growing employment opportunities in the outer islands</li> <li>• Reduction of poverty incidence in the atolls</li> <li>• Develop a transport master plan and prepare an action and financing plan for its implementation</li> </ul>	<ul style="list-style-type: none"> <li>• 1999, Regional Development Loan I (\$8 million)</li> <li>• 2004, Regional Development Loan II (\$6 million)</li> <li>• 2001, Outer Islands Electrification Loan (\$8 million)</li> <li>• 2006, Outer Islands Electrification Loan II (\$6 million)</li> <li>• 2005: Project Preparatory technical assistance (PPTA), SME Development in the Atolls (\$600,000)</li> <li>• 2006/2007, Development of SME in the Atolls (\$6 million)</li> <li>• 2004: Advisory technical assistance (ADTA), Commercialization of Agriculture (\$150,000)</li> </ul>	<ul style="list-style-type: none"> <li>• Islamic Development Bank: cofinancing for ADB Regional Development Project</li> <li>• Organization of Petroleum Exporting countries (OPEC): potential cofinancing for ADB Regional Development Project II</li> <li>• United Nations Development Programme (UNDP): Atolls Development for Sustainable Livelihood, Assistance for Atolls Development Project</li> <li>• Japan: outer islands electrification</li> <li>• UNDP: sustainable energy policy development</li> <li>• New Zealand: community rain water collection tanks in the atolls</li> <li>• Kuwait Fund: Fisheries sector studies</li> </ul>

<sup>a</sup> The new population consolidation policy is that some islands will be selected for the accelerated development and that others will receive less priority. The 20 administrative atolls will be grouped into 5 regions; within each region, the Government will concentrate its public investment and institutional support to develop a regional growth center.

outer islands/atolls		<ul style="list-style-type: none"> <li>• 2003, Advisory technical assistance (ADTA) Transport Master plan (\$350,000)</li> <li>• 2004, Project Preparatory technical assistance (PPTA), Transport Infrastructure Development (\$500,000)</li> <li>• 2005, Transport Infrastructure Development Loan (\$6 million)</li> </ul>	<ul style="list-style-type: none"> <li>• Denmark: port/ harbors development;</li> <li>• United Kingdom (UK): Gan airport upgrading;</li> <li>• Islamic Development Bank (IDB): harbor development and road link;</li> <li>• Kuwait fund: airport upgrading and regional air[port];</li> <li>• OPEC Fund/Saudi Fund: airport upgrading;</li> </ul>
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## CONCEPT PAPER FOR LENDING PRODUCTS

This appendix contains the concept paper for the following lending product:

- (i) Table A3.1: Transport Infrastructure Development

**Table A3.1: Transport Infrastructure Development  
Concept Paper**

**Date:** 30 June 2004

<p><b>1. Type/modality of assistance</b></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><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transportation and Communication Subsector: Multi-modal transport</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"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></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><b>4. Responsible division/department:</b> Transport and Communications Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> H. Yamaguchi</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> 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—that are available only on the large islands. The high costs of delivering products to major markets in Malé and other large islands has placed producers in the remote islands at a disadvantage. Development of scheduled inter-island transportation will be critically important to reducing poverty and remedying disadvantages in the outer islands. Assistance to the development of inter-island transport is in line with Asian Development Bank's strategy, which aims to develop the outer islands through providing basic infrastructure.</p> <p><b>b. Goal and purpose:</b> The goal of the project is to spur economic activity and improve access to social services in the atolls by establishing an inter-island transport system, thus reducing poverty and disadvantages in the atolls.</p>								

**c. Components and outputs:** The project will comprise specific interventions (i) to establish a system of inter-island transport, including sea and air, (ii) to identify specific investment components required; (iii) to define the role of both the public and private sectors in providing and operating such a transportation system; (iv) to strengthen the capacity of the Ministry of Transport and local authorities as sector regulators, and (v) to 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. 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 project benefits will be enjoyed mainly by the people in the atolls.

**7. Proposed executing/implementing agencies:** Ministry of Finance and Treasury/and the Ministry of Transport and Civil Aviation

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

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 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 amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$, million)
ADB Financing	6.0
Government Financing	0.0
Other Financing	0.0
<b>Total Cost</b>	<b>6.0</b>

Source: ADB estimate.

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

If cofinancing is required indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, 9FYP = Ninth Five-Year Plan, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

## CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products:

- (i) Table A4.1: Islands Electrification (Phase II)
- (ii) Table A4.2: Development of Small- and Medium-Sized Enterprises in the Atolls
- (iii) Table A4.3: Strengthening Capacity for Public Service Division and Ministry for Finance and Treasury

**Table A4.1: Transport Infrastructure Development  
Concept Paper**

**Date:** 30 June 2004

<p><b>1. Type/modality of assistance</b></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><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Transmission and distribution</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"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></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><b>4. Responsible division/department:</b> Energy Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> S. Tumiwa</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Previous ADB projects focused on physical infrastructure improvements in Male. This has proven successful and future electricity supply projects in Male 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 will focus on the remaining 35.</p> <p><b>b. Goal and purpose:</b> The goal of the project is to achieve balanced economic growth and equitable regional development, thereby reducing poverty and vulnerability in the selected outer island and also reduce the significant population pressures on Male.</p>								

**c. Components and outputs:** (i) To expand and augment the power supply systems in about 35 outer islands to improve efficiency, quality and reliability; (ii) to strengthen the capacity of the sector regulator, the Maldives Electricity Bureau, as well as the capacities of the Ministry of Planning and National Development, and the Ministry of Atolls Administration, to further implement the outer islands electrification plan; and (iii) to strengthen the outer islands power supply utilities capacity to provide electricity to beneficiaries.

**d. Expected results and deliverables:** (i) To strengthen capacity of relevant government agencies and non-government organizations to deliver rural electrification; and (ii) to provide electricity systems in 35 outer islands.

**e. Social or environmental issues or concerns:** No adverse social and environmental impacts as expected from the TA. No land acquisition/ROW is envisaged at this stage, however, this will be more reviewed during the PPTA.

**f. Plans for disseminating results/deliverables:** The Government and ADB will work with island development committees, project stakeholders and other donors in developing the interventions.

**7. Proposed executing/implementing agencies:** To be determined

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** This loan will be a follow-on to the Outer Islands Electrification Project. The Ministry of Atolls Administration, as well as the Ministry of Development Planning is expected to be involved again. The Island Development Committees will also be involved in design and implementation.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2003

b. Expected date of submission for approval  
 Lending: Not applicable  
 Nonlending (project preparatory): April 2005  
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance  
 Lending: Not applicable  
 Nonlending: 12 months

**10. Financing Plan**

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

If cofinancing is required indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$, million)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	
Source: ADB estimate.	

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds: \$400,000 (TASF)
  - Other: \$

If cofinancing is required indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	\$400,000
Government Financing	0
Other Financing	0
<b>Total Cost</b>	<b>\$400,000</b>

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, 9FYP = Ninth Five-Year Plan, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

**Table A4.2: Development of Small- and Medium-Sized Enterprises in the Atolls  
Concept Paper**

**Date:** 30 June 2004

<p><b>1. Type/modality of assistance</b></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><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Industry and Trade Subsector: Small and medium scale enterprises</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"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input checked="" type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></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><b>4. Responsible division/department:</b> Governance, Finance and Trade Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> Yesim Elhan-Kayalar</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> As men find gainful employment abroad or on resort (uninhabitable) islands, 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 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 small- and medium-sized enterprises (SMEs) and relevant financing schemes.</p> <p><b>b. Goal and purpose:</b> The TA will design a loan project for developing SMEs in selected atolls and outer islands of the Maldives.</p> <p><b>c. Components and outputs:</b> 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</p>								

(iii) generate employment for economically vulnerable segments of the population, contributing to the Government's pro-poor growth initiatives.

**d. Expected results and deliverables:** A self-sustaining, privately owned and operated SME network; and enhanced human capital through entrepreneurship training.

**e. Social or environmental issues or concerns:** Women's participation and involvement in SMEs will be prioritized, given the very low levels of employment among women in the atolls.

**f. Plans for disseminating results/deliverables:** The results and modalities of the economic efforts supported under the proposed loan project will be discussed with major beneficiaries at regular intervals during project implementation. Constructive suggestions will be folded into project design. At the end of the project, lessons learned will be compiled to guide future efforts.

**7. Proposed executing/implementing agencies:** Ministry of Finance and Treasury (executing agency) and the Ministry of Women's Affairs and Social Security (implementing agency)

**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.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2001

b. Expected date of submission for approval  
 Lending: Not applicable  
 Nonlending (project preparatory): 2005  
 Nonlending (other than project preparatory): Not applicable

c. Period and duration of assistance  
 Lending: Not applicable  
 Nonlending: 8 months

**10. Financing Plan**

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

If cofinancing is required indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$, million)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: ADB estimate.

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds: \$600,000 (TASF)
  - Other: \$

If cofinancing is required indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	\$600,000
Government Financing	0
Other Financing	0
<b>Total Cost</b>	<b>\$600,000</b>

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, 9FYP = Ninth Five-Year Plan, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

**Table A4.3: Strengthening Capacity for Public Service Division and  
Ministry of Finance and Treasury  
Concept Paper**

**Date:** 30 June 2004

<p><b>1. Type/modality of assistance</b></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 type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Multisector Subsector: Not applicable</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"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></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><b>4. Responsible division/department:</b> Governance, Finance and Trade and Operations Coordination Division/South Asia Department</p>								
<p><b>5. Responsible ADB officer:</b> To be determined</p>								
<p><b>6. Description of assistance</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Maldives' Sixth National Development Plan of 2001-2005 as well as ADB's Country Strategy and Program approved in January 2002, highlight good governance as a key development and poverty reduction objectives. Priority goals are establishing a modern public administration, comprehensive and transparent laws, and an impartial and competent judiciary. The Government has been building institutional capacity at public institutions to improve efficiency and effectiveness. Another area of concern is decentralized responsibility for planning and management at the atoll and island levels, making governance more accountable and responsive by involving island communities in decision-making thus promoting island development. The Government established the Public Service Division (PSD) under the President's office in 1999 to facilitate and oversee modernization of public resource management. PSD has been an integral part of public sector streamlining, targeting better governance and resource management. Capacity building for its staff is necessitated to better address the changing needs of a more sophisticated, multifaceted public structure. The Financial Institutions &amp; External Debt Management Section</p>								

(FIEDMS) of the Ministry of Finance and Treasury (MOFT), major multilateral development institutions' focal point in dealing with the Government needs to improve its ability to manage and monitor foreign-funded projects. Their institutional and management structure needs to be reassessed; and they also need to develop monitoring procedures, project monitoring and management information system (MIS).

**b. Goal and purpose:** Identify, design, and deliver necessary capacity building activities and tools for PSD and FIEDMS/MOFT staff.

**c. Components and outputs:** For both institutions, the technical assistance will: (i) review the current responsibilities and capabilities in consultation with them and other user departments; (ii) design a series of multilevel training workshops based on previous staff consultant assessment for improved services by PSD and FIEDMS/MOFT, and (iii) conduct consultative seminars/workshops to define and adopt means of improving public service delivery.

**d. Expected results and deliverables:** Well trained. Effective, efficient PSD and FIEDMS/MOFT staff; workshops and training manuals for further training.

**e. Social or environmental issues or concerns:** No issues are envisaged at this stage.

**f. Plans for disseminating results/deliverables:** Training manuals and materials for future PSD and FIEDMS/MOFT staff training.

**7. Proposed executing/implementing agencies:** Ministry of Finance and Treasury/President's Office

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Consultations with the Ministry of Finance and Treasury/President's Office, and approval by the Government's appraisal committee.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2004

b. Expected date of submission for approval  
 Lending: Not applicable  
 Nonlending (project preparatory): Not applicable  
 Nonlending (other than project preparatory): June 2004

c. Period and duration of assistance  
 Lending: Not applicable  
 Nonlending: 18 months

**10. Financing Plan**

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

If cofinancing is required indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$, million)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	
Source: ADB estimate.	

b. For nonlending  
 No resources required, other than ADB staff  
 ADB's administrative budget: \$  
 Grant TA funds: \$  
 Other: \$250,000

If cofinancing is required indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

<b>Source</b>	<b>Amount (\$)</b>
ADB Financing	0
Government Financing	0
Other Financing	\$250,000
<b>Total Cost</b>	<b>\$250,000</b>

Source: ADB estimates.

ADB = Asian Development Bank, CSP = country strategy and program, 9FYP = Ninth Five-Year Plan, RCSP = regional cooperation strategy and program, TA = technical assistance, tbd = to be determined.

## ASSISTANCE PROGRAM FOR 2004

**Table A5.1: Assistance Pipeline for Lending Products**

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				Cofi- nancing
						ADB		Gov't	Total	
						OCR	ADF			
<b>2004 Firm Loan</b>										
<b>Multisector</b>										
Regional Development (Phase II)	PI	ENV	SASS	2003	8.0	0.0	6.0	6.0	2.0	tbd
<b>Subtotal</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>
<b>Total</b>					<b>8.0</b>	<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>2.0</b>	<b>tbd</b>

ADB = Asian Development Bank; ADF = Asian Development Fund; ENV = environment, OCR = ordinary capital resources; PI = poverty intervention; SASS = South Asia Social Sectors Division; tbd = to be determined.

Source: Asian Development Bank estimates.

**Table A5.2: Assistance Pipeline for Nonlending Products and Services**

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2004</b>							
<b>Agriculture and Natural Resources</b>							
1. Commercialization of Agriculture	SAAE	ETSW/ID	TASF	150.0	0.0	150.0	
<b>Subtotal</b>				<b>150.0</b>	<b>0.0</b>	<b>150.0</b>	
<b>Education</b>							
2. Strengthening the Framework of Education towards Vision 2020	SASS	ETSW/ID	TASF	350.0	0.0	350.0	
<b>Subtotal</b>				<b>350.0</b>	<b>0.0</b>	<b>350.0</b>	
<b>Transportation and Communication</b>							
3. Transport Infrastructure Development	SATC	PP	TASF	500.0	0.0	500.0	
<b>Subtotal</b>				<b>500.0</b>	<b>0.0</b>	<b>500.0</b>	
<b>Total</b>				<b>1,000.0</b>	<b>0.0</b>	<b>1,000.0</b>	

ADB = Asian Development Bank; ETSW = economic, thematic, and sector work; ID = institutional development; PP = project preparatory; SAAE = South Asia Agriculture; Environment & Natural Resources Division; SASS = South Asia Social Sectors Division; SATC = South Asia Transport and Communications Division, TASF = Technical Assistance Special Fund; tbd = to be determined.  
Source: Asian Development Bank staff.