

NPRS-PRF

Helping Accelerate Poverty Reduction in Asia and the Pacific

DEVELOPING A RESULTS ORIENTED 7TH NATIONAL DEVELOPMENT PLAN FOR THE REPUBLIC OF MALDIVES

The long-term vision for the development of the Maldives is presented in Vision2020. The vision is that, within a 20-year timeframe, the Maldives will not only be a country that is economically more prosperous and socially more advanced, but will also be politically more democratic and mature.¹

The Republic of Maldives, an island-nation consisting of 26 geographic atolls in the Indian Ocean, is famous for its natural beauty. The climate of the Maldives is ideal for water sports and, because of its extraordinary underwater scenery and clean water, it is also ranked among one of the best diving destinations of the world.

On account of these factors, tourism is Maldives' largest industry, accounting for 28% of gross domestic product (GDP) and more than 60% of the country's foreign exchange receipts. More than 90% of government tax revenue comes from import duties and tourism-related taxes. Fishing is the second leading sector.² In 2000, tourism and fisheries provided 14,000 and 9,000 jobs, respectively, in a total labor force of 117,000, 26% of which is foreign (Ministry of Planning and National Development 2003).

The Maldives experienced favorable economic development and growth until the end of 2004. Growth was led primarily by the tourism and the fisheries sectors. GDP growth averaged 7.6% per year in the period 1976–2004 and exceeded 10% yearly for most of the 1980s.³ In the 1970s, the Maldives was the poorest nation in South Asia. Three decades later, it had transformed itself into the most prosperous country in South Asia.

However, despite tremendous progress, a large number of Maldivians remain poor. Poverty in the Maldives context differs from that of many other countries and is primarily related to remoteness of the islands and lack of services in the atolls.⁴ There are 199 inhabited islands, and the geographic distances between islands, the wide dispersal of the population, and the small populations of some islands make it extremely costly to provide basic economic and social infrastructure services everywhere.⁵

Poverty is also closely related to inequality and vulnerability.⁶ The highest incidence of poverty is experienced by households

(i) with heads who do not work, (ii) that are female-headed, (iii) that have little education, (iv) with elderly members, and (v) that have many children.⁷

Taking Off From the 6th NDP

The Sixth National Development Plan (6th NDP 2001–2005) was designed as a policy- and strategy-oriented blueprint to steer the development of the first 5 years of Vision 2020. While the 6th NDP set out a range of appropriate policy statements, there were no action plans to ensure their implementation. Other weaknesses that have been highlighted include the absence of a framework that could be used to monitor progress in plan implementation; the lack of realistic strategies to implement the identified policies; the lack of coordination between various strategies of individual ministries; absence of costing and complementation of a realistic, medium-term expenditure framework (MTEF) and a prioritized public investment plan to support it; and inadequate emphasis on pro-poor policies, such as affordable housing, sanitation, and water supply management, employment-generating economic growth activities, and skills development.

Toward a Results-Oriented National Development Plan

To overcome these weaknesses of the previous national development plan and to adopt and implement a results-oriented national development strategy, the Government of the Maldives requested the Asian Development Bank (ADB) for technical assistance (TA) in November 2004.⁸ TA 4591: Developing a Results-Oriented 7th National Development Plan⁹ was prepared and approved by ADB in 25 May 2005.

To ensure a sustained capacity of the Maldivian Government to plan, implement, and monitor results-based national poverty reduction plans, two important indicators were identified for the TA—the assessment contained in the mid-term and final reports on implementation of the 7th NDP, and the Government's ability to draft an action plan on completion of the TA.

The TA placed an emphasis on knowledge transfer, coordination among various ministries, and development cooperation with other organizations actively supporting the Government (such as the United Nations agencies, World Bank, and International Monetary Fund).

The Seventh National Development Plan 2006–2010 (7th NDP) aimed to set out an integrated, results-oriented development framework for the Republic of Maldives, embracing all aspects of both social and economic development. The Government made the case that the Plan should set out an ambitious but achievable and coherent development strategy supported by a quantified, multi-annual investment commitment in the key areas of education and training, health, infrastructural development, the productive sector, and the promotion of social inclusion.¹⁰

The goals of the 7th NDP include

- (i) Reducing vulnerability and poverty;
- (ii) Improving access to opportunities and services through regional development;
- (iii) Achieving sustainable and equitable economic and social development through greater participation of all sectors of the society; and
- (iv) Strengthening family values and national unity through investing in social, cultural, and religious harmony.

Important crosscutting issues, such as gender equity, were to be strengthened in the plan. Moreover, the plan was to be informed by the Government's Strategic Economic Plan, the Sectoral Master Plans, and the National Recovery and Reconstruction Plan. As such, the 7th NDP will form the Government's Poverty Reduction Strategy Paper.

As in any results-oriented plan, the Government intended to monitor progress made in the implementation of this plan, and report this to all stakeholders through a medium-term progress report and a final assessment report.

The 7th NDP was prepared in eight phases:

Phase 1: Background Studies and Review of the Sixth National Development Plan

Phase 2: Sectoral Strategic Planning

Phase 3: First draft Sectoral Strategies

Phase 4: Participatory Workshops

Phase 5: Financial Breakdown by Sectors

Phase 6: Plan Compilation

Phase 7: Plan Refinement and Completion

Phase 8: Government Approval

The 7th NDP was prepared through an extensive consultation process, including government offices, civil society, the private sector, and international development partners.

TA 4591's Delivery Outputs

The TA assisted preparation of high-quality background studies. It also facilitated preparation of key sectoral road maps, which involved various ministries whose representatives attended with strong commitment. The tasks relating to initiating gender-sensitive and gender-responsive approaches in all stages of planning, implementation, and monitoring of the 7th NDP, and mainstreaming key crosscutting issues were supported by the Maldivian Government and the United Nations Development Programme (UNDP).

The conduct of discussion sessions with various ministries to draw up sectoral road maps helped to familiarize the relevant staff with the importance of having plans of operation that could be monitored in each sector.

Different sectoral working groups covering all aspects of the economy and society were established to allow stakeholders to develop a common vision for their sector. A common thread running through each group was the need to ensure that the five key elements were represented:

- Governance
- Poverty Profile
- Gender
- Preservation and Protection of the Environment
- Achieving the Millennium Development Goals in Maldives

While the TA successfully introduced the importance of having the development operations and investments under the 7th NDP fully costed and prioritized, the continuation of a serious budgetary deficit prevented the Government from clearly costing the 7th NDP and initiating its actual implementation as planned.

One major observation made was the length of time allotted for TA implementation. TA 4591 was implemented within the span of 6 months. It was noted that longer time for the TA would have allowed the conduct of key activities, such as policy dialogue and advice on the 7th NDP implementation, the preparation and conduct of a mid-term implementation monitoring, and more capacity development opportunities. Similar types of assistance in the future should allot more time for stronger development impact.

Endnotes

¹ http://www.presidentymaldives.gov.mv/publications/Maldives_Towards_a_New_Dawn.pdf (Maldives: Towards a New Dawn)

² <https://www.cia.gov/library/publications/the-world-factbook/geos/mv.html>

³ <http://www.globalaging.org/pension/world/2006/wbmaledives.pdf>

⁴ http://www.adb.org/Documents/Books/Poverty_Reduction_MLD/povred_mld.pdf

⁵ <http://www.saarc-sec.org/data/pubs/rpp2005/pdfs/Tables/Table-3.11.pdf>

⁶ http://www.adb.org/Documents/Poverty/pa_mld.pdf

⁷ <http://www.globalaging.org/pension/world/2006/wbmaledives.pdf>

⁸ Concept Paper Maldives: Advisory Assistance for the Development of a Results-Oriented National Development Plan. 14 March 2004.

⁹ TA 4591: Developing a Results-Oriented 7th National Development Plan. Total

TA amount was \$557,000, of which \$377,000 was financed by the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (contributed by the Government of the Netherlands and administered by ADB); UNDP provided parallel financing in the amount of \$100,000; and \$80,000 was the counterpart government financing. Executing Agency: Ministry of Finance and Treasury. Implementing Agency: Development Planning Section of the Ministry of Planning and National Development (MPND). TA Approval Date: December 2005. TA Completion Date: May 2006.

¹⁰ <http://www.planning.gov.mv/contents/NDP/home.php>

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