

TAR: MLD 39010

Technical Assistance to the
Republic of the Maldives for
Developing a Results-Oriented
7th National Development Plan
(Financed by the Cooperation Fund
in Support of the Formulation and
Implementation of National Poverty
Reduction Strategies)

May 2005

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 25 May 2005)

Currency Unit	–	rufiyaa (Rf)
(Rf)1.00	=	\$0.0781
\$1.00	=	Rf12.8

ABBREVIATIONS

ADB	–	Asian Development Bank
GDP	–	gross domestic product
MDGs	–	Millennium Development Goals
MTEF	–	medium-term expenditure framework
NDP	–	National Development Plan
NPRS	–	National Poverty Reduction Strategies
UN	–	United Nations
UNDP	–	United Nations Development Programme

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sector	–	Law, economic management, public policy
Subsector	–	–
Themes	–	Sustainable economic growth, capacity development, gender and development
Subtheme	–	Civil society participation

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Government of the Maldives has requested the assistance of the Asian Development Bank (ADB) to develop a new national development plan (the 7th NDP; the Plan) for the period 2006–2010, and provided ADB with the terms of reference for such assistance. The concept of this assistance was supported for funding by the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS) at a peer review meeting on 13 March 2005. A Fact-Finding Mission (4–11 April 2005) reached understandings with the Government on the long-term goal and objectives of the technical assistance (TA); its scope; implementation arrangements; cost and financing arrangements; and the terms of reference for the consultants. The United Nations Development Programme (UNDP) has expressed interest to provide support for the TA through the services of experts employed by UNDP and acceptable to ADB. The TA first appeared in *ADB Business Opportunities* (Internet edition) on 16 February 2005. The TA framework is shown in Appendix 1.

II. ISSUES

2. Until the end of 2004, the Maldives experienced favorable economic development and growth. Real gross domestic product (GDP) growth accelerated to 8.5% in 2003, lifting nominal per capita GDP to about \$2,509 in that year, the highest in the South Asian region. Growth was led by tourism, which expanded by over 15% in 2003 and accounted for about 33% of GDP. The fisheries sector, which accounts for about 6% of GDP, is estimated to have grown by about 3% in 2004. However, poverty and vulnerability, which are mostly related to remoteness and lack of access to public services, remain a serious issue. Maldives remains eligible for concessional assistance from ADB's Asian Development Fund because, notwithstanding its high per capita income, it faces high poverty and vulnerability.

3. In a clear manifestation of its vulnerability, the tsunami of December 2004 will have a major impact on the Maldivian economy, much of which will become manifest over the first 6–12 months after the event. The joint needs assessment done by the Government, ADB, United Nations (UN), and the World Bank reports that the most likely effects in 2005 will be a severe economic slowdown with low real GDP growth of about 1% of GDP, a doubling of the current account deficit, and a significant widening of the fiscal deficit. While it is expected that tourism and fisheries activities will likely recover to pre-tsunami capacity toward the latter part of 2005, identifying a more expanded role for these sectors in the development of a pro-poor economic growth plan for the Maldives remains a challenge.

4. The long-term vision for the development of the Maldives is presented in "Vision 2020." The 6th 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 to:

- (i) Diversify and expand the economy by further developing existing industries and by exploring new economic activities, while ensuring the sustainability of physical and natural resources;
- (ii) Increase the role of private sector in the development process, particularly in expanding the economic base of the country;
- (iii) Improve the quality and relevance of educational, health, and social services, while ensuring that the benefits of development are shared equitably among the population;
- (iv) Increase the human resource capacity and productivity by providing relevant training and employment opportunities;
- (v) Pursue legislative, regulatory, governance, and administrative reform to facilitate rapid economic and social development;

- (vi) Develop a sustainable and cost-effective transportation and telecommunications infrastructure to facilitate economic, social, and regional development; and
- (vii) Ensure sociopolitical stability and democratic participation of all in the development process, while upholding national unity and social cohesiveness based on shared social, cultural, and religious values.

5. The 6th NDP had a collection of appropriate policy statements; however, they were often not accompanied by realistic action plans for their implementation. Various stakeholders, when consulted, identified some of the weaknesses of the 6th NDP as:

- (i) The absence of a monitorable framework that could guide the implementation and show at each stage the progress achieved.
- (ii) Lack of realistic strategies to implement the identified policies, and lack of coordination between various strategies of individual ministries.
- (iii) The 6th Plan was not costed and did not accompany a realistic medium-term expenditure framework (MTEF) and a prioritized public investment plan to support it.
- (iv) Pro-poor policies such as affordable housing, sanitation, and water supply management; employment-generating economic growth activities; and skills development were not adequately emphasized.

6. Recognizing these issues, the Government intends to prepare the 7th NDP as a results-based plan directed to contribute to the achievement of the long-term goals of Vision 2020. The goals of the 7th NDP are: (i) reduction of 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. It is the intention of the Government to ensure that medium- and long-term priorities are clearly defined through a prioritized action plan that includes the sequencing and resourcing of the needed actions; that important crosscutting issues such as gender equity drive the design of the plan; and that the plan is informed by the Government's Strategic Economic Plan, the Sectoral Master Plans, and the National Recovery and Reconstruction Plan. In this sense, the 7th NDP will form the Government's Poverty Reduction Strategy Paper. As in any results-oriented plan, the Government intends to monitor progress made in the implementation of this plan, and report to all stakeholders such progress made through a medium-term progress report and a final assessment report.

7. Two sets of factors will affect the Government's strategy to develop the economy in the period covered by the 7th NDP. First, the vulnerability of the country to tsunami and the impact of remoteness on increasing poverty has necessitated that the Government's Population and Development Consolidation Strategy be an important contributor to the future development plans of the Maldives. Second, the country's graduation from least-developed country status necessitates that a transition strategy for the country be developed.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact sought by the technical assistance is to contribute effectively to the achievement of the goals of the 7th NDP as described in para. 6. The outcome of the TA would be a results-based 7th NDP focused on achieving the goals identified in para. 6. The indicators for evaluating ADB's success in developing sustainable capacity in the Government to plan, implement, and monitor results-based national poverty reduction plan are two: first, the mid-term

and final reports on implementation as mentioned in para. 6; second, if, at the completion of the TA, the Government is in a position to draft an action plan that

- (i) identifies and ranks actions to be taken during the period covered by the 7th NDP;
- (ii) aligns external funding resources with the priorities of the 7th NDP; and
- (iii) sets priorities for the medium-term budgetary framework in such a way that it supports the areas of priority in the 7th NDP.

9. The outputs of the TA are:

- (i) Background study of (a) work done on a medium-term macroeconomic framework; (b) the existing processes used by the Government to prepare an MTEF with coherent prioritization of development aid projects supported by appropriate budgetary allocations (this study will be done in close coordination with the World Bank, which is currently assisting the Government with a TA project focused on facilitating the development of an MTEF, improving the process of appraisal and selection of capital investment projects, and enhancing expenditure prioritization); (c) assessment of existing monitoring and evaluation systems in the public sector, including proposals on how to address existing gaps if found; and (d) progress made and achievements under the 6th NDP. This output will not require reports, only to inform the work on the 7th NDP.
- (ii) In collaboration with the core ministries, production of medium-term sectoral road maps (accompanied by realistic goals and targets, as well as indicators of monitoring progress toward expected sectoral outcomes) for the development of the core sectors. All other ministries will be involved in the process so that these road maps will serve as good practice models for the preparation of other sectoral road maps by the other ministries.
- (iii) Provision of advice, needed background reports and technical support to the Government on preparing a results-based national development plan and assisting the Government in synthesizing the various inputs received from consultants, stakeholders, and other sources into a coherent national plan.
- (iv) Conducting regional, in-country workshops that would enable ADB, UNDP and the Government to communicate with the country stakeholders (various ministries, private sector businesses, nongovernment organizations, and other stakeholders) the objectives and the goal of the process of preparation of the 7th NDP and receive input for its design. Provide separate workshops to communicate with the line ministries the findings of the gender assessment and the MTEF.
- (v) Initiating gender-sensitive and gender-responsive approaches in all sectors and all stages of planning, implementation and monitoring.
- (vi) Mainstreaming key crosscutting issues in the context of mainstreaming Millennium Development Goals (MDGs) in the 7th NDP.

B. Methodology and Key Activities

10. The activities undertaken under the TA are designed with the objective of knowledge transfer in mind. Therefore, the outputs of the TA will require a series of short discussion notes in which issues are brought up and views of relevant stakeholders on best approaches to address the issues are sought. Person-to-person or small group discussions will be given preference over an impersonal report-producing approach, although the latter is not altogether abandoned as there is a need to leave behind a record of understandings reached. The final report of the consultants (Appendix 4) is the only formal report to ADB and UNDP.

11. The TA component on study of existing MTEF processes will assist the Government to ensure that the 7th NDP is costed, prioritized, and accompanied by a supportive MTEF. This component will link the assistance received so far from the UN agencies, the World Bank, and the International Monetary Fund to the needed requirements for the costing and prioritization of the 7th NDP and will identify any gaps. This will prompt the Government to seek further assistance from various development partners to address these gaps.

12. The component on study of the macroeconomic framework will study existing processes and assistance received from the International Monetary Fund and the World Bank for building the medium-term macroeconomic framework within the 7th NDP.

13. The components on assessment of existing monitoring and evaluation systems and the 6th NDP, and the assistance for producing sectoral roadmaps will be done with substantial involvement of and work done by the staff of ADB and UNDP. These are considered to be areas of focus in ADB's overall agenda to build capacity both at the DMC level and at the corporate level, on managing for development results. Therefore, this opportunity will be used to accomplish this capacity building at both levels and ensure better transfer of knowledge to the country.

14. UNDP will not only assist in all activities mentioned above by means of providing the services of local consultants acceptable to ADB as needed, but will also undertake its separate background studies and advice to the Government in order to assist in initiating gender-sensitive and gender-responsive approaches in all sectors and all stages of planning, implementation, and monitoring and in mainstreaming key cross-cutting issues.

15. Furthermore, and also with the aim of better transfer of knowledge, the staff of ADB and the UN agencies will participate in making presentations at the consultation workshops and will remain engaged in consultations with the Government counterparts to help synthesize the information and inputs received toward the production of the 7th NDP itself.

C. Cost and Financing

16. The total cost of the TA is estimated at \$557,000 equivalent, of which \$395,000 is in foreign exchange and \$162,000 equivalent is in local currency. Of the total cost of the TA, the equivalent of \$377,000 will be financed on a grant basis by the Cooperation Fund for NPRS and administered by ADB. As part of its support to the Government for the preparation of the 7th NDP, UNDP will provide, on a parallel basis, the equivalent of \$100,000 in services of local consultants acceptable to ADB to assist in the implementation of the TA, and in conduct of other activities focused on initiating gender-sensitive and gender-responsive approaches in all sectors and all stages of planning, implementation and monitoring and on mainstreaming key crosscutting issues. The Government will provide the equivalent of \$80,000 in covering the costs of office accommodation, transport, and counterpart staff, as well as other in-kind contributions. The cost estimates and the financing program are presented in Appendix 2.

D. Implementation Arrangements

17. The TA was advertised in *ADB Business Opportunities* for a 3-month period. The start of TA processing (fact-finding) was delayed by several months because of the tsunami-related emergency activities in the Maldives. However, the final outputs of the project cannot be delayed beyond end-2005, as the Government is anxious to have a coherent, medium-term plan in place to rule the selection of post-tsunami emergency projects in 2006. Therefore, the TA outputs are expected to be produced in a shorter than originally planned period.

18. Given the need for rapid mobilization of the consulting firm, recruitment through direct selection is proposed. The particular firm identified for direct selection is appropriately positioned to undertake this assignment as it has been actively involved with results-based development planning in many small-island economies; it has worked on 43 projects supported by various multilateral development banks and bilateral development partners in 13 small-island economies. In the Maldives, the firm has experience with the environmental assessment and analytical overview of the main natural resource base (fisheries and tourism) and preparation of an environmental management plan in the Southern Atolls (project supported by the International Fund for Agricultural Development).¹ This experience has prepared the selected firm to maintain an overview of the possible impact of the Government's Population and Development Consolidation Strategy and the 7th NDP on the fisheries and tourism activities. The outline terms of reference for the international consulting team are shown in Appendix 3.

19. The Executing Agency for the TA will be the Ministry of Finance and Treasury. The implementing agency will be the Development Planning Section of the Ministry of Planning and National Development (MPND). The focal point within the implementing agency will be the Director, Development Planning. The MPND will establish a number of committees, each comprising line ministries with close mandates, to assume responsibility in the preparation of the 7th NDP. The Department of External Resources within the Ministry of Foreign Affairs will assume responsibility for development partner coordination, communications with development partners, and for involvement of the development partners in the process of preparation of the 7th NDP.

20. The TA will be implemented over a period of 6 months ending in December 2005. The consultants will be assisted by local experts who will be employed by UNDP. The TA will require the services of 4 international consultants recruited from a firm for a total of 15 person-months. These consultants (whose detailed terms of reference are given in Appendix 3) will include: (i) a public finance management specialist with expertise in the budgetary aspects of results-based national development planning for 4 person-months; (ii) 2 results management specialist (one with emphasis on evaluation and monitoring, the other on results-based national and sectoral development planning) for a total of 8 person-months; and (iii) an economist specializing in participatory development aid planning for 3 person-months. The economist will act as the team leader to coordinate the activities of the other international consultants, guide the work of local experts, and advise the Government as needed.

21. Activities of the TA will begin with an inception meeting, participated by the ADB, UNDP, the Government, and the consultants, to review and agree on the goals, objectives, guiding principles, outputs, and activities of the TA.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$377,000 to the Government of the Maldives to be financed on a grant basis by the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS) for Developing a Results-Oriented 7th National Development Plan, and hereby reports this action to the Board.

¹ The proposed firm is PDP Australia Pty Ltd.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact To contribute effectively to the achievement of the long term development goals of Vision 2020 and the 7th National Development Plan (NDP) for Maldives.</p>	<ul style="list-style-type: none"> • Reduced income poverty. • Economic growth that is pro-poor 	<p>Monitoring of indicators of gross domestic product growth, employment, and Millennium Development Goals (MDGs).</p>	<p>Risk In the event of new and unexpected emergency conditions, national priorities may change.</p>
<p>Outcomes A results-based 7th NDP is developed by the Government whose main goals are :</p> <p>(i) reduction of 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.</p>	<p>Midterm and final progress reports.</p> <p>Government is capable of producing the 7th NDP combined with an action plan that:</p> <ul style="list-style-type: none"> • Identifies and ranks actions to be taken during the period covered by the 7th NDP. • Aligns external funding resources with the priorities of the 7th NDP. • Sets priorities for the medium-term budgetary framework in such a way that it supports the areas of priority in the 7th NDP. 	<ul style="list-style-type: none"> • Consultants' progress reports. • Information acquired by the Asian Development Bank (ADB) extended mission. 	<p>Assumption All core ministries will own and promote the 7th NDP as the Government's plan rather than the plan of any individual unit within the Government.</p>
<p>Outputs</p> <ol style="list-style-type: none"> 1. Background study of work done on medium-term macroeconomic framework. 2. Background study of existing processes used by the Government to prepare medium-term expenditure framework (MTEF) with coherent prioritization of development aid projects supported by appropriate budgetary allocations in close collaboration with the World Bank. 2. Background assessment of existing monitoring and evaluation systems in the public sector, including proposals on how to address existing gaps if found. 3. In collaboration with the core ministries, produce medium-term sectoral road maps (accompanied by realistic goals and targets, as well as indicators of monitoring progress toward expected sectoral outcomes) for the development of the core sectors. Involve all other ministries in the process so that these road maps will serve 	<ul style="list-style-type: none"> • Government has a clear set of identified gaps in its medium-term budgetary procedures and a plan on how to address these gaps. • Government has a clear set of identified gaps in its monitoring and evaluation systems and a plan on how to address these gaps. • Completed results-based sectoral and thematic road maps for core sectors and themes of importance to ADB and the United Nations Development Programme (UNDP) have been produced. • Government is using a model of good practice to guide the production of other results-based sectoral road maps. 	<ul style="list-style-type: none"> • Consultants' progress reports. • Information acquired by the ADB extended mission. 	<p>Risk In the event of new and unexpected emergency conditions, inputs and activities may be diverted in different directions.</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>as good practice models for the preparation of other sectoral road maps by the other ministries.</p> <p>4. Review of progress made and achievements under the 6th NDP.</p> <p>5. Provision of advice, needed background reports and technical support to the Government on preparing a results-based national development plan and assisting the Government in synthesizing the various inputs received from consultants, stakeholders, and other sources into a coherent national plan.</p> <p>6. Conducting regional, in-country workshops that would enable ADB and the Government to communicate with the country stakeholders (various ministries, private sector businesses, nongovernment organizations, and other stakeholders) the objectives and the goal of the process of preparation of the 7th NDP and receive input for its design and separate workshops with the line ministries to present the findings of gender assessment and the MTEF.</p> <p>7. Initiating gender-sensitive and gender-responsive approaches in all sectors and all stages of planning, implementation and monitoring.</p> <p>8. Mainstreaming key crosscutting issues in the context of mainstreaming MDGs in the 7th NDP.</p>	<ul style="list-style-type: none"> • Government learns lessons from the design and implementation of the 6th NDP in the design and implementation of the 7th NDP. • Advice of consultants is taken on board by the Government. • The inputs received from stakeholders in the context of the regional workshops is taken on-board in the design of the 7th NDP. • Random reviews by ADB and UNDP of sector policies and various stages of development planning demonstrates gender sensitivity. 		
<p>Activities:</p> <p>1.1 Review of the latest public expenditure review done by the World Bank, the MDGs costing done by UNDP, and the Third Vulnerability and Poverty Assessment (VPA3) funded by United Nations agencies.</p> <p>1.2 Review of the degree to which the training workshops and other assistance provided by other development partners on the MTEF are being implemented.</p> <p>1.3 Conducting a half-day workshop with all line ministries to discuss the principles of the MTEF in supporting a prioritized development plan and the differences with public investment plans.</p> <p>1.4 Collaboration with the World Bank and the UNDP consultants working on related issues.</p> <p>1.5 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>2.1 Review current procedures on monitoring of implementation of aid projects.</p> <p>2.2 Prepare needed notes on the gaps in the system, and the best approaches for ADB and other development partners to monitor progress made in the implementation of their projects by coordinating with and using in-country systems.</p> <p>2.3 Collaboration with the World Bank and the UNDP consultants working on related issues.</p> <p>2.4 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>3.1 Discuss with line ministries (i) development challenges facing their specific sectors, (ii) barriers facing the ministry in addressing those challenges, (iii) expected outcomes to be observed in the sector within the next 3-5 years (based, mostly, on current development activities in the sector), and (iv) additional activities needed to achieve expected outcomes and cost of those activities.</p>			<p>Inputs:</p> <ul style="list-style-type: none"> • International consultants. • ADB and UNDP staff's time and expertise. • Consultative workshops. • Local experts' knowledge and input.

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>3.2 Provide training and develop understanding within the ministries on how their sectors' needed activities are to be reflected in the MTEF.</p> <p>3.3 Develop a road map for the sector on the basis of above discussions.</p> <p>3.4 Collaboration with the World Bank and the UNDP consultants working on related issues.</p> <p>3.5 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>4.1 Desk study of strengths and weaknesses of the 6th NDP as a policy document and as a development planning document.</p> <p>4.2 Compare the 6th NDP in this respect with the previous NDPs (in which the public investment plan was clear, inflexible, and uncoordinated with available external resources), and prepare a note on advantages and disadvantages of each method.</p> <p>4.3 Collaboration with the World Bank and the UNDP consultants working on related issues.</p> <p>4.4 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>4.5 Review of activities of other development partners.</p> <p>5.1 Maintain contact with Ministry of Finance and Treasury officials by e-mail and through visits to advise them as needed.</p> <p>5.2 Collaboration with the World Bank and the UNDP consultants working on related issues.</p> <p>5.3 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>6.1 Prepare a plan for the conduct of participatory workshops; identify appropriate participants and take action to notify the target participants in time for the workshops.</p> <p>6.2 Prepare educational notes intended for capacity development and to encourage discussion at the workshops.</p> <p>6.3 Ensure that views expressed at the workshops are appropriately recorded and transmitted to the relevant public officials.</p> <p>6.4 Develop proposals for future actions with regard to continued involvement of stakeholders during plan implementation.</p> <p>6.5 Collaboration with the World Bank and UNDP consultants working on related issues.</p> <p>6.6 Prepare notes on areas of need for further capacity development and institutional strengthening.</p> <p>7.1 Review of gender and development in the Maldives, with reference to commitments made at the Beijing Platform for Action, and as part of the MDGs.</p> <p>7.2 Prepare a half-day seminar with participation from all line ministries to share the findings of the gender and development review, raise concerns, and sensitize the participants on the importance of incorporating gender concerns in development planning.</p> <p>7.3 Preparation of proposals for increased gender sensitivity in their various reports.</p> <p>8.1 Review of status of achievement of MDGs in the Maldives.</p> <p>8.2 Preparation of proposals to mainstream MDGs in the 7th NDP.</p>			

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Cooperation Fund in Support of National Poverty Reduction Strategies Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	300.0	0.0	300.0
b. International Travel	30.0	0.0	30.0
c. Reports and Communications	5.0	0.0	5.0
2. Training, Seminars, and Conferences			
a. Training Program	10.0	0.0	10.0
3. Miscellaneous Administration and Support Costs	0.0	2.0	2.0
4. Representative for Contract Negotiations	5.0	0.0	5.0
5. Contingencies	25.0	0.0	25.0
Subtotal (A)	375.0	2.0	377.0
B. UNDP^b			
1. Consultants			
a. Remuneration and Per Diem			
i. Domestic Consultants	0.0	30.0	30.0
b. Local Travel	0.0	10.0	10.0
c. Reports and Communications	5.0	0.0	5.0
2. Training, Seminars, and Conferences			
a. Facilitators	10.0	0.0	10.0
b. Training Program	0.0	25.0	25.0
3. Miscellaneous Administration and Support Costs	0.0	5.0	5.0
4. Contingencies	5.0	10.0	15.0
Subtotal (B)	20.0	80.0	100.0
C. Government Financing			
1. Office Accommodation and Transport	0.0	25.0	25.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	40.0	40.0
3. Others	0.0	15.0	15.0
Subtotal (C)	0.0	80.0	80.0
Total	395.0	162.0	557.0

UNDP = United Nations Development Programme.

^a Administered by the Asian Development Bank.

^b UNDP will provide, on a parallel basis, the equivalent of \$100,000 in services provided by local consultants, and in other activities focused on initiating gender-sensitive and gender-responsive approaches in all sectors and all stages of planning, implementation and monitoring and in mainstreaming key crosscutting issues in the context of mainstreaming the Millennium Development Goals in the 7th National Development Plan.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Summary of Activities

1. The public finance specialist will prepare the necessary background studies and report on existing processes used by the Government to prepare a medium-term expenditure framework (MTEF) with coherent prioritization of development aid projects supported by appropriate budgetary allocations. On the basis of the notes and assessments provided by this specialist, and further assistance currently being provided by the World Bank, the sector ministries will be able to identify all the required projects, both for domestic and external financing, and develop appropriate project proposals accordingly. He or she will assist ministries in developing investment plans that would be needed to achieve the goals of sectoral road maps.
2. The two results management specialists will prepare (i) notes on background study and assessment of existing monitoring and evaluation systems in the public sector, including proposals on how to address existing gaps if found; (ii) assist core ministries—to be jointly selected by the Asian Development Bank (ADB) and the Government—to prepare medium-term sectoral road maps (accompanied by realistic goals and targets, as well as indicators of monitoring progress toward expected sectoral outcomes) for the development of their sectors, and involve other ministries in this process; (iii) provide a review and assessment of strengths and weaknesses of the 6th National Development Plan (NDP) and the process of its implementation; and (iv) provide advice and needed background reports to the Government on preparing a results-based national development plan and assist the Government in synthesizing the various inputs received from consultants, stakeholders, and other sources into a coherent national plan.
3. The team leader will (i) coordinate and supervise the work of other international consultants; (ii) jointly with the United Nations Development Programme (UNDP), supervise the work of local consultants; (iii) make preparations and appropriate presentations for the conduct of regional, in-country workshops that would enable ADB, UNDP and the Government to communicate with the country stakeholders (various ministries, private sector businesses, nongovernment organizations and other stakeholders) the objectives and the goal of this process and receive input for the design of the 7th NDP; and (iv) liaise with ADB consultants who are assisting in the implementation of the recently approved Tsunami Emergency Assistance Project.
4. The UNDP-funded local experts will assist the international consultants in their work, including for conducting training seminars and participatory workshops. The former will also produce the needed studies, reports, and provide advice on mainstreaming of crosscutting issues, particularly gender, in the context of mainstreaming the MDGs in the 7th NDP.
5. All consultants will be guided in their work by the Poverty and Vulnerability Assessments (VPAs) done in the Maldives by the Government, with assistance from other development partners (latest update in 2004), the VPA3 which will be conducted in mid-2005 with assistance from UNDP, and the Joint Needs Assessment Study conducted by all major development partners in the aftermath of the tsunami. As part of their work, all consultants will prepare notes on areas of need for institutional strengthening and capacity development in the Maldives. These notes will form part of the 7th NDP on countrywide, medium-term, holistic planning for capacity development in the country. The international consultants will be assisted in their work by the expertise provided by a group of local experts funded by UNDP. The exact expertise of

the local consultants will depend on the needs of the international consultants; therefore, the number of local experts being engaged in this process will vary at different stages of implementation of the technical assistance.

B. Detailed Terms of Reference

1. Public Finance Management Specialist

6. The consultant with expertise in the budgetary aspects of results-based national development planning will be employed for 4 person-months (with substantial front-loading of activities in the first 3 months of technical assistance implementation, and one final month at the time of preparation of final reports) to undertake the following activities:

- (i) Review of the latest public expenditure review by the World Bank;
- (ii) Review of the degree to which the training workshops and other assistance by the World Bank on the MTEF are being implemented;
- (iii) Conducting a workshop with all line ministries to review the technical details of the MTEF and its relevance to the planning procedures.
- (iv) Discuss with various ministries, prepare a half-day workshop, and build internal capacity on the principles of the MTEF in supporting a prioritized development plan and the differences with public investment plans;
- (v) Collaborate with the World Bank and the UNDP consultants working on related issues;
- (vi) Prepare notes on areas of need for further capacity development and institutional strengthening.

2. Two Results Management Specialists

7. The two consultants with expertise in evaluation and monitoring, and results-based development planning will be employed for a total of 8 person-months (spread intermittently over a period of 6 months) to undertake the following activities:

- (i) Review current procedures on monitoring of implementation of aid projects.
- (ii) Prepare needed notes on the gaps in the system, and the best approaches for ADB and other development partners to monitor progress made in the implementation of their projects by coordinating with and using in-country systems;
- (iii) Collaborate with the World Bank and the UNDP consultants working on related issues;
- (iv) Prepare notes on areas of need for further capacity development and institutional strengthening;
- (v) Discuss with line ministries (i) development challenges facing their specific sectors, (ii) barriers facing the ministry in addressing those challenges, (iii) expected outcomes to be observed in the sector within the next 3-5 years (based, mostly, on current development activities in the sector), and (iv) additional activities needed to achieve expected outcomes and cost of those activities;
- (vi) Provide training and develop understanding within the ministries on how their sectors' needed activities are to be reflected in the MTEF;
- (vii) Develop a road map for the core sectors with substantial involvement of other ministries on the basis of above discussions;

- (viii) Prepare notes on areas of need for further capacity development and institutional strengthening.

3. Economist/Team Leader

8. Specializing in participatory development aid planning the consultant will be employed for 3 person-months. The economist will coordinate the activities of the other international consultants, guide the work of local experts, and advise the Government as needed. Specifically, the consultant will take on the following activities:

- (i) Desk study (and discussions with stakeholders) of strengths and weaknesses of the 6th NDP as a policy document and as a development planning document;
- (ii) Compare the 6th NDP in this respect with the previous NDPs (in which the public investment plan was clear, inflexible, and uncoordinated with available external resources), and prepare a note on advantages and disadvantages of each method;
- (iii) Collaborate with the World Bank and the UNDP consultants working on related issues;
- (iv) Prepare notes on areas of need for further capacity development and institutional strengthening;
- (v) Maintain contact with Ministry of Finance and Treasury officials by e-mail and through visits to advise them as needed;
- (vi) Collaborate with the World Bank and the UNDP consultants working on related issues;
- (vii) Prepare notes on areas of need for further capacity development and institutional strengthening;
- (viii) Prepare a plan for the conduct of participatory workshops; identify appropriate participants and take action to notify the target participants in time for the workshops;
- (ix) Prepare educational notes intended for capacity development and to encourage discussion at the workshops;
- (x) Ensure that views expressed at the workshops are appropriately recorded and transmitted to the relevant public officials;
- (xi) Develop proposals for future actions with regard to continued involvement of stakeholders during plan implementation;
- (xii) Supervise and coordinate the work being done on gender and development issues in the Maldives and provide advice on enhancing gender sensitivity of sectoral policies and national development planning and implementation to ensure that the 7th NDP is prepared as a gender-responsive national plan and that key gender issues are addressed.

OUTLINE OF THE FINAL REPORT

I. BACKGROUND

- A. Historical Perspective
 - 1. Development Planning
 - 2. Economic Achievements
- B. The 6th National Development Plan
 - 1. Main Objectives
 - 2. Relevance of Policy and Planning to Objectives
 - 3. Implementation
 - 4. Lessons Learned

II. CURRENT ENVIRONMENT

- A. Challenges Facing Maldives
- B. Long-Term National Goals and Objectives (Vision 2020)
- C. Barriers to Addressing Long-Term National Goals and Objectives

III. THE 7TH NATIONAL DEVELOPMENT PLAN—RELEVANT ISSUES

- A. Medium-Term National Objectives
 - 1. Poverty Issues
 - 2. Mainstreaming Gender Issues
 - 3. Mainstreaming of Millennium Development Goals
- B. Sectoral Contributions to the National Objectives
- C. Medium-Term Public Investment Plan
- D. Bringing In the Private Sector and the Nongovernment Organizations

IV. RESOURCING THE 7TH NATIONAL DEVELOPMENT PLAN

- A. Expected Development Aid Resources
- B. Role of the Private Sector and the Nongovernment Organizations
- C. Medium-Term Budgeting

V. OUTLINES OF A PROPOSED ACTION PLAN FOR IMPLEMENTATION