

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Maldives: 2019 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
5.00	-	1.50	5.00	11.50

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Maldives: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	4	2.14	0.65
Education	8	14.55	4.45
Energy	15	89.10	27.26
Finance	6	12.93	3.96
Industry and Trade	10	30.19	9.23
Multisector	5	32.48	9.94
Public Sector Management	30	55.99	17.13
Transport	21	46.21	14.14
Water and Other Urban Infrastructure and Services	6	43.31	13.25
Total	105	326.90	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Maldives: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2019

No. of Transactions Signed	Amount (\$ million)
Loans	12.00
Equity Investments	4.50
Guarantees	-
Total	16.50

- = nil.

ADB's efforts in Maldives enhance energy efficiency, improve urban infrastructure and services, promote trade facilitation, and strengthen the capacities of the government in program and portfolio management.

MALDIVES

Comprising around 1,190 small islands in the Indian Ocean, Maldives was home to around 515,696 people in 2018 and is famous for some of the world's most beautiful beaches.

The Asian Development Bank (ADB) has been supporting Maldives since 1978, with high-end tourism propelling the country's strong economic expansion over recent decades. This has helped Maldives gain upper middle-income status with the highest per capita income in South Asia. However, as a relatively small island economy, the country is extremely vulnerable to external economic shocks and the negative impacts of climate change.

Since 1978, ADB has committed loans, grants, and technical assistance worth \$326.90 million (excluding equity investment of \$4.50 million) for Maldives. Cumulative loan and grant disbursements to Maldives amount to \$196.9 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

Maldives has access to the Asian Development Fund as a Group A developing member country. The country is also eligible for grants and concessional loans.

ADB-SUPPORTED PROJECTS AND PROGRAMS

Given the country's geographic spread, transport is a key development priority in Maldives. ADB has been supporting improvements in transport connectivity on and between islands to eventually provide a nationwide and sustainable transport network. The bank has helped expand the capacity of the commercial harbor in Malé to improve maritime services. ADB is also financing the expansion of the passenger and cargo harbor on Kulhudhuffushi island in the



northern part of the country, benefiting 8,200 people on Kulhudhuffushi and 30,000 residents on nearby islands.

In dealing with the high cost of electricity and the unreliability of power supply, ADB and the Government of Maldives have been working closely to replace inefficient diesel-based power generation grids with hybrid renewable systems through the [Preparing Outer Islands for Sustainable Energy Development Project](#). This work is expected to benefit nearly 160 islands, generate 21 megawatts of solar power, substantially cut carbon dioxide emissions, and reduce the subsidy burden on the government.

To address severe environmental pollution and deteriorating livability in the [Greater Malé area](#), ADB is funding the [Greater Malé Environmental Improvement and Waste Management Project](#). The investment will establish an integrated and environmentally sustainable solid waste management system including modern waste collection, transfer, and disposal.

Because Maldives has a narrow resource base, ADB has been helping the country strengthen its economy and promote private sector growth. In 2019, as part of the South Asia Subregional Economic Cooperation program, ADB funded the establishment of a national single window to foster international trade

in Maldives. The project will develop a platform for seamless communication between cross-border regulatory agencies, the relevant state-owned enterprises, and traders, helping reduce the time and cost to comply with documentary requirements for importing and exporting, and strengthening the business environment. ADB also supports the development and expansion of micro, small, and medium-sized enterprises and recently completed a project that conducted 495 training programs and awareness sessions for 13,326 entrepreneurs, including 7,246 women and 8,542 youth. The bank likewise supported taxation reforms in Maldives, helping increase tax revenues and provide a more diversified tax base.

In line with the new government's strategy for more inclusive and sustainable growth, ADB supported Maldives in drafting the country's national development plan. The plan intends to serve as a long-term development road map over the next 10 years, laying out the framework for resource allocation for sectoral and regional development.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to

nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2019 amounted to \$3.00 billion for 38 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2019, ADB mobilized \$3.28 billion of long-term cofinancing and \$3.69 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$13.78 billion as of 31 December 2019.

PARTNERSHIPS

ADB continues to collaborate closely with other development partners operating in Maldives to maximize cofinancing and minimize overlap in the country's development program.

The [Japan Fund for the Joint Crediting Mechanism](#), the European Investment Bank, and the European Union are cofinancing the [Preparing Outer Islands for Sustainable Energy Development Project](#). The Government of Japan, through the [Japan Fund for Poverty Reduction and High-Level Technology Fund](#), is cofinancing the [Greater Malé Environmental Improvement and Waste Management](#)

Maldives: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2008	–	1
2010	50.0	2
2012	33.3	3
2014	100.0	2
2015	100.0	2
Total	60.0	10

– = nil.

Note: The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. The ratings are reported not by calendar year but for the year ending June (e.g., 2019 success rates are derived from success rates of validated PCRs and PPERs completed from July 2018 to June 2019). With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2019.

Maldives: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2018–2019

	2018 (\$ million)		2019 (\$ million)	
	2018 (\$ million)	2019 (\$ million)	2018 (\$ million)	2019 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2019)			1	
Contract Awards ^{b, c}	–	3.39		
Disbursements ^b	0.18	0.02		
No. of Ongoing Grants ^a (as of 31 Dec 2019)			4	
Contract Awards ^{b, c, d}	8.14	24.06		
Disbursements ^{b, d}	6.67	12.59		
Actual Problem Projects (%) (as of 31 Dec 2019)			–	

– = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Maldives: Projects Cofinanced, 1 January 2015–31 December 2019

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign^a	5	58.90
Loans	1	50.00
Grant	2	7.00
Technical Assistance	3	1.90

^a A project with more than one source of cofinancing is counted once.

Maldives: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2018		2019		Cumulative (as of 31 Dec 2019)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	7.98	0.06	8.04	0.06	90.48	0.05
Consulting Services	0.09	0.01	0.23	0.03	3.71	0.03
Total Procurement	8.07	0.06	8.27	0.06	94.18	0.05

Top 5 Contractors/Suppliers from the Maldives Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2015–31 December 2019

Contractor/Supplier	Sector	Contract Amount (\$ million)
Maldives Transport and Contracting Company PLC	TRA, WUS	15.41
Mirza Maldives Pvt. Ltd.	IND	0.17
Focus Computers Pvt. Ltd.	IND	0.02
Blue Bayou Trade	TRA	0.01
Others		0.87
Total		16.48

IND = industry and trade, TRA = transport, WUS = water and other urban infrastructure and services.

Top 5 Consultants from the Maldives Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2015–31 December 2019

Consultant	Sector	Contract Amount (\$ million)
FJS Associates LLP	ENE, IND	0.13
Individual Consultants		1.93
Total		2.06

ENE = energy, IND = industry and trade.

Project and the National Single Window Project. Meanwhile, some of the World Bank's projects are complementing existing initiatives in renewable energy, solid waste management, public financial management, and policy making. Similarly, the International Monetary Fund's engagements on public expenditure, tax policy, and tax administration are aligned with ADB's continued assistance on such reforms.

To strengthen government capacity in implementing projects, ADB has been conducting training programs on project management and undertaking analytical research on potential areas of future operations. These activities are supplemented by regular portfolio review missions from ADB headquarters.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's development partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Maldives in 1981. Since then, sovereign cofinancing commitments for Maldives have amounted to \$93.18 million for six investment projects and \$4.23 million for seven technical assistance projects.

A summary of projects with cofinancing from 1 January 2015 to 31 December 2019 is available at www.adb.org/countries/maldives/cofinancing.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$12.38 billion in 2018 and \$14.27 billion in 2019. Cumulative procurement since 1966 has been \$194.28 billion covering 219,119 contracts.

In Maldives, 176 contracts worth \$90.48 million have been awarded to contractors and suppliers since 1978.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$706.15 million in 2018 and \$745.02 million in 2019. Cumulative procurement since 1966 has been \$13.4 billion covering 63,327 contracts.

In Maldives, 126 contracts worth \$3.71 million have been awarded to consultants since 1978.

OPERATIONAL CHALLENGES

Maldives relies heavily on tourism and fisheries for revenues. Improving the country's business environment, particularly for micro and small

enterprises, is vital to encourage investment and support job creation.

The country's location and widely dispersed population make it difficult and costly to provide public services and economic infrastructure such as interisland transportation. Improved maritime transport and harbor facilities, along with efficient port management, remain vital to relieving port congestion and boosting trade.

The main development challenges for the government are to generate sustainable economic growth and finance much-needed public infrastructure. This requires borrowing that poses a threat to the country's fiscal and public debt sustainability and worsens its external current account position. To help alleviate its debt burden and sustain its economic gains, Maldives must introduce measures to widen its revenue base, efficiently manage public expenditures, and gradually implement public investment projects.

FUTURE DIRECTIONS

For 2020–2022, Maldives will have an indicative allocation of \$81.19 million, including \$18.86 million for disaster risk reduction.

Following completion of the Strategic Action Plan, 2019–2023, ADB will formulate a new country partnership strategy for Maldives. The bank will advance efforts to enhance energy efficiency, improve urban infrastructure and services, promote trade facilitation, and strengthen the capacities of the government in program and portfolio management. ADB has also committed to establishing a waste-to-energy facility in the Greater Malé area and exploring cleaner energy sources for the country.



ABOUT MALDIVES AND ADB

ADB Membership

Joined 1978

Shareholding and Voting Power

Number of shares held:	426 (0.004% of total shares)
Votes:	39,540 (0.297% of total membership, 0.457% of total regional membership)
Overall capital subscription:	\$5.89 million
Paid-in capital subscription:	\$0.29 million

Paul Dominguez is the Director and **Shahid Mahmood** is the Alternate Director representing Maldives on the ADB Board of Directors.

ADB operations in Maldives are managed through ADB headquarters in Manila. The ADB South Asia Department provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The South Asia Department engages in policy dialogue, country operations business plan programming, and portfolio management, while also acting as a knowledge base on development issues in Maldives.

The Maldives government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2019, lending volume was \$20.47 billion (133 projects), with technical assistance at \$237.31 million (252 projects) and grant-financed projects at \$844.07 million (31 projects). In addition, \$11.86 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2015 to 31 December 2019, ADB's annual lending volume averaged \$17.41 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$702.60 million and \$202.27 million over the same period. As of 31 December 2019, the cumulative totals excluding cofinancing were \$296.28 billion in loans for 3,221 projects in 44 countries, \$10.23 billion in 409 grants, and \$4.72 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2019 unless otherwise indicated.

CONTACTS

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 8632 4444
Fax +63 2 8636 2444
www.adb.org/maldives

Ministry of Finance

Ameenee Magu
Block 379 Malé, Republic of Maldives
Tel +960 334 9200
admin@finance.gov.mv

Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org