A revival in tourism and an impressive vaccination rollout for the coronavirus disease (COVID-19) that saw 88% of the eligible population fully vaccinated as of end 2021 enabled Maldives’s gross domestic product (GDP) growth to rebound by an estimated 31.6% in 2021. This was a notable turnaround after the pandemic shut down the tourism industry in 2020, causing the economy to contract by 33.5%, the country’s deepest recession on record. Maldives’s annual GDP growth averaged 5.7% from 2010 to 2019.

The Asian Development Bank (ADB) is one of the country’s biggest development partners, providing support averaging $40 million a year from 2016 to 2020. ADB’s support is aligned with the Government of Maldives’s Strategic Action Plan, 2019–2023.

To date, ADB has committed 107 public sector loans, grants, and technical assistance totaling $432.3 million to Maldives. Cumulative loan and grant disbursements to Maldives amount to $267.5 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Maldives includes 3 loans and 8 grants worth $176.1 million.1

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ADB’s recent engagement with Maldives focused on COVID-19 response measures. This is in addition to its long-standing support for climate-change solutions. In 2020, Maldives availed itself of an initial $500,000 grant and an additional $1 million grant from ADB to procure emergency medical supplies. ADB also provided a $50 million assistance to mitigate health, social, and economic impacts of COVID-19

1 Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.
by increasing testing capacity and facilities; providing working capital to 2,200 self-employed individuals and businesses; and giving cash assistance to 150,000 beneficiaries. To strengthen Maldives’s health system, ADB committed a $2 million grant from the Japan Fund for Poverty Reduction2 in November 2021 to support long-term pandemic responses and expand vaccination coverage.

As an atoll nation dispersed across 188 inhabited islands, Maldives faces extraordinary challenges in delivering reliable, affordable, and sustainable energy to its people. With several islands electrified by diesel-powered grid systems, Maldives spends a lot annually on oil imports for electricity generation. In response, ADB provided an energy project in the outer islands to replace diesel power generation grids with solar power in 160 islands and Greater Malé. This project will help reduce about 40,000 tons of carbon dioxide emissions a year by 2045. ADB will also help with another renewable energy project to install 25 megawatts of solar photovoltaic systems in 16 islands. Private sector investments will be mobilized for this project.

ADB is supporting the development of a sustainable and climate-resilient solid waste management system for Greater Malé and 32 surrounding islands through a combined $106.3 million grants and loans assistance across two projects. The projects are (i) establishing a modern waste collection, transfer, treatment (through waste-to-energy) and disposal system in the project area; (ii) building institutional capacity for sustainable services delivery; and (iii) raising public awareness in reduce, reuse, recycle behaviors. In 2021, the government, with ADB’s support, managed to stop open fires and smoke from the Thilafushi dumpsite, which are ongoing for more than 20 years and creating an unhealthy environment for people in nearby islands (including Malé) and resorts.

Nonsovereign operations. Total outstanding balances and undisbursed commitments of ADB’s nonsovereign transactions in Maldives as of 31 December 2021 was $3.87 million representing 0.03% of ADB’s total private sector portfolio.

Operational challenges. The inherent structural constraints facing this small island developing economy remain a challenge. Maldives has a narrow economic base that relies heavily on tourism and fisheries and its economy is extremely vulnerable to external shocks. To promote more sustainable growth, ADB’s support will also focus on diversifying the economy through technical assistance to assess the potential of other sectors besides tourism, for example fisheries, agriculture, and information and communication technology.

The country’s persistently high levels of public debt and fiscal deficits are another challenge. To improve fiscal sustainability, ADB is providing support for revenue mobilization and building the institutional and technical capacities of the Ministry of Finance and the Maldives Inland Revenue Authority. It included a $1.2 million technical assistance for enhancing debt sustainability, committed in December 2021.

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2 On 1 September 2021, the ADB Board of Directors approved the enhanced and renamed Japan Fund for Prosperous and Resilient Asia and the Pacific to be operationalized on 1 January 2022.

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Goods, Works, and Related Services</th>
<th>Consulting Services</th>
<th>Total Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount ($ million)</td>
<td>% of Total</td>
<td>Amount ($ million)</td>
</tr>
<tr>
<td>2020</td>
<td>50.44</td>
<td>0.22</td>
<td>0.13</td>
</tr>
<tr>
<td>2021</td>
<td>0.28</td>
<td>0.00</td>
<td>0.22</td>
</tr>
<tr>
<td>Cumulative (as of 31 Dec 2021)</td>
<td>142.61</td>
<td>0.06</td>
<td>4.49</td>
</tr>
</tbody>
</table>

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

### Top 5 Contractors/Suppliers from Maldives Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2017–31 December 2021

<table>
<thead>
<tr>
<th>Contractor/Supplier</th>
<th>Sector</th>
<th>Contract Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maldives Transport and Contracting</td>
<td>TRA, WUS</td>
<td>16.22</td>
</tr>
<tr>
<td>Company PLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Net Corp.</td>
<td>IND</td>
<td>0.21</td>
</tr>
<tr>
<td>Mirza Maldives Pvt. Ltd.</td>
<td>IND</td>
<td>0.17</td>
</tr>
<tr>
<td>Pro AC &amp; Engineering Pvt. Ltd.</td>
<td>IND</td>
<td>0.05</td>
</tr>
<tr>
<td>Terabyte Pvt. Ltd.</td>
<td>IND</td>
<td>0.03</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>51.59</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>68.27</td>
</tr>
</tbody>
</table>

### Top 5 Consultants from Maldives Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2017–31 December 2021

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Sector</th>
<th>Contract Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FJS Associates LLP</td>
<td>ENE</td>
<td>0.10</td>
</tr>
<tr>
<td>Individual Consultants</td>
<td></td>
<td>1.18</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1.28</td>
</tr>
</tbody>
</table>

ENE = energy.
KNOWLEDGE WORK

The *Climate Risk Country Profile: Maldives*, jointly published in 2021 with the World Bank, provides a comprehensive analysis of climate change impacts. A reference source for integrating climate resilience into development planning and policy making, it highlights how climate change is a major threat to the lives and livelihoods in Maldives and that without careful management, it is likely to affect the poor and marginalized, and those living in remote communities.

ADB’s 2020 publication, *100 Climate Actions from Cities in Asia and the Pacific*, has case studies on Maldives gearing up for large-scale renewable energy production under the outer islands energy project, and the sustainable waste management project on Thilafushi island.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s partner governments or their agencies, multilateral institutions, and private organizations to participate in ADB projects. The additional funds may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Maldives:

- **Sovereign cofinancing**: $210.54 million for 8 investment projects and $6.23 million for 8 technical assistance projects since 1981
- **Nonsovereign cofinancing**: $216.5 million for 4 investment projects since 1983

In 2021, Maldives received $20 million in loan cofinancing from the Islamic Development Bank for the Greater Malé Waste-to-Energy project.

A summary of projects with cofinancing from 1 January 2017 to 31 December 2021 is available at www.adb.org/countries/maldives/cofinancing.

FUTURE DIRECTIONS

ADB’s country partnership strategy for Maldives, 2020–2024 covers three strategic pillars: enhancing public sector efficiency and fiscal sustainability; strengthening competitiveness and diversifying the economic base; and improving the quality of life of island communities while ensuring environmental sustainability. Its two strategic priorities are adopting advanced technologies and accelerating progress in gender equality.

ADB support to Maldives for 2022–2024 focuses on renewable energy and climate change adaptation; and social development including health, gender, education, social protection. Other key areas of support are infrastructure services, trade, public–private partnerships, and public finance management. A major part of the resources will be channeled toward building climate resilience.

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**Maldives: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2020–2021**

<table>
<thead>
<tr>
<th>No. of Ongoing Loans* (as of 31 Dec 2021)</th>
<th>2020 ($ million)</th>
<th>2021 ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Awards(a,c)</td>
<td>0.23</td>
<td>43.57</td>
</tr>
<tr>
<td>Disbursements(a)</td>
<td>25.13</td>
<td>0.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of Ongoing Grants* (\text{a,c} (as of 31 Dec 2021))</th>
<th>2020 ($ million)</th>
<th>2021 ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Awards(a,c)</td>
<td>5.35</td>
<td>42.51</td>
</tr>
<tr>
<td>Disbursements(a,c)</td>
<td>33.59</td>
<td>11.74</td>
</tr>
</tbody>
</table>

| At Risk Projects (%) \(\text{as of 31 Dec 2021}\) | 17 |

* Based on commitments.

\(a\) Includes closed loans/grants that had contract awards or disbursements during the year.

\(c\) Excludes policy-based, results-based, financial intermedation/credit, CPRO (COVID-19 Pandemic Response Option), and cofinanced loans and grants.

\(d\) Includes only Asian Development Fund and other ADB special funds.


<table>
<thead>
<tr>
<th>Total Number of Validated and Evaluated Projects and Programs</th>
<th>Evaluation Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign Operations</td>
<td>Highly successful</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Nonsovereign Operations</td>
<td>2</td>
</tr>
</tbody>
</table>

\(=\) nil, IED = Independent Evaluation Department.

Note: The numbers indicate sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2011 to 30 June 2021. See evaluations related to Maldives. Source: IED success rate database.

**Maldives: Projects Cofinanced, 1 January 2017–31 December 2021**

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign(a)</td>
<td>6</td>
<td>122.86</td>
</tr>
<tr>
<td>Loans</td>
<td>2</td>
<td>107.36</td>
</tr>
<tr>
<td>Grants</td>
<td>2</td>
<td>12.00</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>3</td>
<td>3.50</td>
</tr>
</tbody>
</table>

* A project with more than one source of cofinancing is counted once.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,693 staff from 65 of its members as of 31 December 2021.

ADB maximizes the development impact of its assistance to its developing members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB pivoted swiftly to answer the needs of its developing members and will remain agile and responsive in the years ahead. It has started to see the shoots of a green recovery, but the long-term effects of the COVID-19 pandemic, climate change, and the outbreak of conflicts still threaten lives and prosperity. ADB will continue to work closely with members and development partners through these challenges to achieve a better future for all in Asia and the Pacific.

ADB operations. In 2021, ADB committed $22.8 billion in loans, grants, equity investments, private sector programs, and technical assistance both to the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $12.9 billion.

As of 31 December 2021, ADB’s cumulative commitments in 45 countries stood at $342 billion covering 4,061 loans, $11.7 billion in 521 grants, and $5.2 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees and equity investments to help its developing member countries.

Total commitments in nonsovereign loans and equity investments from ADB’s own funds in 2021 amounted to $1.2 billion for 35 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2021, ADB mobilized $1.7 billion of long-term project cofinancing and $5.8 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $14 billion as of 31 December 2021.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2021

- $12.93 billion for 187 projects, of which:
  - $12.38 billion, 75 investment projects,
  - $134.67 million, 110 technical assistance projects,
  - $422.87 million transaction advisory services for 2 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2021

- $140.43 billion for 3,165 projects, of which:
  - $136.6 billion, 1,098 investment projects,
  - $2.8 billion, 2,061 technical assistance projects,
  - $1.07 billion transaction advisory services for 6 projects.

PROCUREMENT

ADB’s Procurement Contracts, 2021

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:

- $22.93 billion in 2020
- $15.6 billion in 2021
- $232.16 billion covering 225,336 contracts, cumulative procurement since 1966

Consulting Services
ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $730.78 million in 2020
- $697.03 million in 2021
- $14.86 billion covering 71,348 contracts, cumulative procurement since 1966

MORE ABOUT MALDIVES AND ADB

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: $5.96 million
Paid-in capital subscription: $0.29 million

*United States dollar figures are valued at rate as of 31 December 2021.

ADB Governor: Ibrahim Ameer
ADB Alternate Governor: Maryam Abdul Nasir
ADB Director: Noor Ahmed (Pakistan)
ADB Alternate Director: Paul Dominguez (Philippines)

CONTACTS

Maldives Coordination Office
Established: 2021
Desk Officer: Jyotsana Varma
ADB South Asia Department - Regional Cooperation and Operations Coordination Division
6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel: +63-8632-4444
Fax: +63 2 8636 2444
www.adb.org/maldives

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

Ministry of Finance
Ameene 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

Notes: (i) Figures are estimated by ADB unless otherwise stated. *$* refers to United States dollars. (ii) Data are updated as of 31 December 2021 unless otherwise indicated. (iii) Front page photo by Mihaaru.