

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Maldives: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	2.25	35.07	37.32

- = 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	0.68
Education	8	14.55	4.61
Energy	15	89.10	28.25
Finance	6	12.93	4.10
Industry and Trade	7	19.19	6.08
Multisector	5	32.48	10.30
Public Sector Management	30	55.49	17.59
Transport	21	46.21	14.65
Water and Other Urban Infrastructure and Services	6	43.31	13.73
Total	102	315.40	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, 2007-2018

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

- = nil.

ADB operations in Maldives support efforts to enhance energy efficiency, improve urban infrastructure and services, develop MSMEs, and strengthen the capacities of the government in program and portfolio management.

MALDIVES

Comprising around 1,190 small islands in the Indian Ocean, Maldives is home to around 436,330 people in 2017, and famous for some of the world's most beautiful beaches. High-end tourism has propelled the country's strong economic expansion over recent decades. This has helped Maldives gain 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.

The Asian Development Bank (ADB) has been supporting the Government of Maldives since 1978. It has committed loans, grants, and technical assistance worth \$315.4 million.

Cumulative loan and grant disbursements to the Maldives amount to \$184.3 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB operations in Maldives are generally dedicated to increasing the population's access to sustainable solid waste management services, enhancing the quality and reliability of power supply, improving transport networks, fostering private sector development, and boosting economic opportunities and growth.

ADB strongly supports the development of Maldives' Greater Malé region where around 50% of the country's population lives. The Greater Malé Environmental Improvement and Waste Management Project is helping establish an integrated and environmentally sustainable solid waste management system including waste collection, transfer, and disposal.



It is also driving public awareness and behavioral change and strengthening institutional capacities for solid waste service delivery.

Consistent with the country's long-term goal of increasing use of renewable energy, and ultimately becoming carbon neutral, ADB and the government are working to transform existing energy grids into hybrid renewable systems through the [Preparing Outer Islands for Sustainable Energy Development Project](#). Upon completion, the project is expected to aid nearly 160 islands, generate 21 megawatts of solar power, and substantially cut carbon dioxide emissions.

ADB is supporting government efforts to improve transport connectivity on and between islands and eventually provide a nationwide, sustainable transport network. The bank has funded the expansion of the passenger and cargo harbor on Kulhudhuffushi island, benefiting 8,200 people on Kulhudhuffushi and 30,000 residents on nearby islands.

To promote private sector growth and diversify Maldives' economy, ADB financed the [Inclusive Micro, Small, and Medium-Sized Enterprises \(MSME\) Development Project](#) completed in 2018. The project has provided credit lines to start-ups and small businesses, with the

latest phase focusing on women-led MSMEs. It has also helped build business centers across the country and establish digital technologies for MSME development. Similarly, ADB approved a technical assistance project to prepare a development strategy to help the Greater Malé region identify development projects that will unlock economic opportunities and generate jobs. The bank's continued support for taxation reforms in Maldives has helped increase tax revenues and provided a more diversified tax base.

ADB has also backed preparatory studies and capacity building activities to prepare Maldives for the establishment of a national single window platform. The platform will streamline international trade procedures between private sector stakeholders and border control agencies, ultimately making it easier to do business in the country.

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 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB

also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 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 \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing 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 official loans and grants, technical assistance, other concessional financing, and commercial 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 the Maldives in 1981. Since then, cumulative direct value-added official cofinancing commitments for the Maldives have amounted to \$93.18 million for six investment projects and \$3.73 million for six technical assistance projects.

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

Note: "Year" refers to the circulation year of the project completion report (PCR). 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. 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 2018.

Maldives: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	1	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	-	-
Disbursements ^b	0.00	0.18
No. of Ongoing Grants ^a (as of 31 Dec 2018)	4	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	16.20	8.14
Disbursements ^{b,d}	11.48	6.67
Actual Problem Projects (%) (as of 31 Dec 2018)	-	

- = nil, 0.00 = less than \$50,000.

^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 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	2	79.00
Grants	2	19.00
Official loans	1	60.00
Technical Assistance Grants	3	2.25

^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	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.18	0.00	7.96	0.06	82.46	0.05
Consulting Services	0.39	0.05	0.09	0.01	3.34	0.03
Total Procurement	0.57	0.01	8.05	0.06	85.80	0.04

0.00 = less than \$50,000.

Top 5 Contractors/Suppliers from the Maldives Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Maldives Transport and Contracting Company PLC	TRA	7.62
Mirza Maldives Pvt. Ltd.	IND	0.18
Focus Computers Pvt. Ltd.	IND	0.02
Blue Bayou Trade	TRA	0.01
Others		2.20
Total		10.03

IND = industry and trade, TRA = transport.

Top 5 Consultants from the Maldives Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
FJS Associates LLP	ENE, IND	0.13
Individual Consultants		1.62
Total		1.76

ENE = energy, IND = industry and trade.

In 2018, a \$2 million grant cofinancing was received from the [Japan Fund for Poverty Reduction](#) for the [Greater Malé Environmental Improvement and Waste Management-Improving Community-Based Solid Waste Management in Small Outer Islands of Zone 3](#).

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/maldives/cofinancing.

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 and the European Investment Bank are cofinancing the [Preparing Outer Islands for Sustainable Energy Development Project](#). The Islamic Development Bank cofunded the Inclusive MSME Development Project. The Government of Japan, through the [Japan Fund for Poverty Reduction](#), is cofinancing the Greater Malé Improvement and Waste Management Project. Meanwhile, some of the World Bank's projects are complementing existing initiatives in renewable energy, solid waste management, public financial management, and policymaking.

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

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 \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Maldives, 173 contracts worth \$82.46 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 \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Maldives, 117 contracts worth \$3.34 million have been awarded to consultants since 1978.

OPERATIONAL CHALLENGES

Typical of a small island nation, Maldives has a narrow resource base and limited scope to diversify its economy. The country depends heavily on tourism and fisheries, and sources of employment or income are finite. Improving conditions for business, particularly for MSMEs, is vital to encourage investment and support job creation.

Maldives' isolation 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.

Heavy borrowing to finance the government's massive infrastructure programs also poses a threat to Maldives' fiscal and public debt sustainability. This is aggravated by a worsening current account position as well as a thin and weakening stock of foreign reserves. To help alleviate the country's debt burden and sustain its economic gains, Maldives must introduce measures to widen revenue base, efficiently manage public expenditures, and gradually implement public investment projects.

FUTURE DIRECTIONS

Maldives has access to the [Asian Development Fund](#) as a Group A developing member country. For 2020–2022, Maldives will have an indicative allocation of \$81.19 million, including \$18.84 million for disaster risk reduction. The country will be eligible for grants and concessional loans in 2019.

ADB is helping Maldives' recently elected government formulate a new development strategy for the country. The bank will advance efforts to enhance energy efficiency, improve urban infrastructure and services, develop MSMEs, and strengthen the capacities of the government in program and portfolio management. ADB has already committed to establishing a waste-to-energy facility and further improving basic infrastructure in the Greater Malé region.



CONTACTS

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(Please omit the "8" from ADB HQ numbers until
Manila numbers change on 8 October 2019.)

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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

ABOUT MALDIVES AND ADB

ADB Membership

Joined 1978

Shareholding and Voting Power

Number of shares held:	426 (0.004% of total shares)
Votes:	40,123 (0.302% of total membership, 0.464% of total regional membership)
Overall capital subscription:	\$5.92 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 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 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 2018 unless otherwise indicated. Fact sheets are published annually in April.