

1. CPS Data	
Country: Maldives	
CPS Year: FY16	CPS Period: FY16 – FY20
CLR Period: FY16 – FY20	Date of this review: December 7, 2021

2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Fair</i>

3. Executive Summary

- i. This review of the World Bank Group’s (WBG) Maldives’ Completion and Learning Review (CLR) covers the period of the Country Partnership Framework (CPF), FY16-FY19, as updated in the Performance and Learning Review (PLR) dated May 15, 2018, which extended the CPF period by one year to FY20.
- ii. Although poverty and inequality are relatively low in Maldives, the SCD notes that the pace of poverty reduction has been below potential, and that limited job opportunities, especially for low-skilled labor, might have played an important role in limiting the contribution of growth to poverty reduction. The first focus area of the program—promoting economic opportunities—aimed to develop skills, especially for the young, through the enhancement of primary and secondary education. The unemployment rate among ages 15-24 was 16 percent before the COVID-19 crisis, more than four times the unemployment rate among ages 25-64 (3.5 percent). The first focus area also intended to increase the economic benefits from the fishing industry, which is essential for shared prosperity and for creating employment opportunities for youth. The income gap between the poorest and richest segments of the population remains a source of social tensions, and interventions that help incorporate the unemployed youth into the labor market will benefit all Maldivians.
- iii. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the six objectives one was Achieved, two Mostly Achieved, two Partially Achieved, and one Not Achieved. The objective on public financial management was achieved; the education and enhancing preparedness for disaster risk management and climate change objectives were mostly achieved; the objectives on increasing benefits from the fishing industry and improving environment management were partially achieved; and the objective on increasing access to non-financial services was not achieved.
- iv. Overall, IEG rates World Bank Group performance as **Fair**. The three areas of WBG interventions (promoting economic opportunities, building resilience, and strengthening fiscal sustainability) reflected country and SCD priorities. However, program design suffered from several weaknesses despite improvement at the PLR stage. Under focus area I (promoting economic opportunities), the objective of access to non-bank financial services is not coherent with the rest of the program. The program also could have emphasized enhancing the quality of education—basic reading and numeracy skills—and of programs to incorporate youth into labor markets, including in the growing fishing industry, which requires the development of specialized skills. Under focus area

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II (resilience to climate change and natural hazards), the results framework did not capture well the WBG engagement because indicators were too narrow relative to WBG support. Although according to the SCD, limited capacity and a complex administration framework limit the ability of the state to support economic progress, the program concentrated efforts on developing capacity only in focus area III (fiscal sustainability). This lack of attention to capacity building affected negatively the implementation of the program at the project level. In a number of instances project implementation lagged because the implementation agencies had limited capacity and were unable to coordinate among themselves, and the WB did not find a way to overcome the local constraints. For example, the Environmental Management project (IEG rating Unsatisfactory) could not complete equipment procurement and commissioning by the end of the project while the Clean Environment project was seriously delayed due to operation and maintenance challenges; weak staffing, capacity and related performance of the site operator in Vandhoo; and problems with the EPA on regulatory monitoring of waste facilities. The CLR notes that shortcomings in project implementation reflected insufficient presence of WB staff on the ground. If the WB is unable to place more staff on the ground due to budget constraints, then it should calibrate its engagement to a level that it can adequately support through close supervision and use of local consultants. The WBG responded to the effects of the COVID-19 pandemic on Maldivians, which led to a re-engagement with the authorities by the WB and IFC. Country program implementation was better than project implementation because the PLR was used judiciously to adjust the program, particularly the results framework, and the WBG responded well to the COVID-19 crisis. Towards the end of the program, IFC and the World Bank framed a parallel response to the COVID-19 crisis in Maldives.

v. Under the Maldives CPS for FY16-FY20, the objectives were focused on important country priorities, and the WBG relationship with the government improved from a weak starting point. The government's engagement with the WBG and support for the program is now more evident than at program approval. There was progress in some areas, but overall results were disappointing. Implementation agencies had limited technical and administrative capacity and did not coordinate among themselves, and the WB did not find a way to overcome the local constraints.

- The World Bank made a significant contribution to improving public financial management. It helped the government substantially improve its capacity in this area. As a result, Maldives has developed appropriate budget execution reporting to the public, and operational internal audit functions in 15 Central Government Agencies.
- But for the rest of the program, results were uneven. (i) Student retention rates through higher secondary education increased, but improvements in the quality of education were not measured under the program, and learning levels in the Maldives remain unsatisfactory; (ii) the number of additional people benefitting from the fishing industry is significant, but the impact on GDP from mariculture production has been modest due to delays in implementation of the WBG-supported intervention in the fishing sector; and (iii) although the WBG had a number of interventions to improve environmental and disaster risk management, the CPS results framework focused narrowly on wastewater and some of the results could not be verified, or there is not enough data to assess the impact of the WB contribution.
- On the basis of analysis and diagnostics presented in the SCD and the CPS, enhancing employability and economic opportunities deserved more attention, particularly in light of problems with youth unemployment. The program, based on WBG diagnostics at the outset, could have emphasized more enhancing the quality of education and of programs to incorporate youth into labor markets, which remains a huge challenge in Maldives.

vi. IEG broadly agrees with the CLR lessons and proposes the following lesson:

- Resources can be wasted on projects because local administrative capacity is inadequate in the public sector. In the Maldives, the WB could have had a bigger impact if local administrative capacity were stronger to allow more efficient and effective project execution. For this reason, the WB should have dealt with capacity constraints directly and explicitly. This



is especially important in countries like the Maldives, which expects to become a high-income country in the foreseeable future and needs to stand on its own without aid or other support from development partners. The WB identified weak institutional capacity as a risk to the program but mitigating measures were only moderately effective.

4. Strategic Focus

Relevance of the WBG Strategy:

- Congruence between Country Context and Country Program.** The Maldives is an upper middle-income country with a GNI per capita of US\$16,256 (average 2016-2020) in PPP current dollars, the highest per capita income in South Asia, and significantly higher than the average US\$5,959 for South Asian countries. Tourism, especially high-end tourism, is its main growth engine. Including related sectors, tourism accounts for two thirds of GDP, 80 percent of exports and at least 40 percent of government revenues, which makes the Maldives one of the most exposed countries to the COVID-19 pandemic. Annual GDP growth averaged 7.2 percent in 2016-2019 and suffered a dramatic contraction of over 30 percent in 2020, as tourist arrivals came to a virtual halt with travel restrictions placed on several countries and the suspension of on-arrival visas. This was compounded by social distancing and other measures that restricted domestic economic activity. The most recent poverty data (2016) shows a poverty headcount of 8.2 percent of the population based on the national poverty line, which represents a declining trend from 16 percent in 2010. It compares favorably with a poverty rate of over 40 percent in Sri Lanka. Inequality is relatively low in Maldives, with a Gini coefficient of 31.3 in 2016, but the income gap between the poorest and richest segments of the population remains a source of social tensions. Maldives ranks 95 out of 189 countries in the UN Human Development Index – only Sri Lanka (at 72) ranks higher in South Asia. Between 1990 and 2019, Maldives' life expectancy at birth increased by 17.4 years, mean years of schooling increased by 3.0 years and expected years of schooling increased by 3.7 years. Yet, Maldives faces significant challenges in building opportunities for young people, improving gender equality, improving health care, and development of basic infrastructure as well as providing access to basic services across a large number of islands. In addition, climate change will test Maldives which, according to the SCD Update, is one of the lowest-lying nations in the world with an average elevation of 1.7 meters above sea level.
- The country development strategy reflected priorities in the 2013 Election Manifesto of the ruling party and sector strategies, subsequently complemented by the Strategic Action Plan 2019-2023. The strategy emphasized increasing economic growth, economic diversification, and fostering entrepreneurship and job creation. The Maldives CPS strategic goal is to enable inclusive and sustainable growth, with three key objectives: (i) enhancing employability and economic opportunities, (ii) strengthening natural resource management and climate resilience, and (iii) improving public financial management and policy making. These objectives were maintained in the PLR, with an emphasis on fiscal, institutional, and physical resilience.
- Relevance of Design.** The CPS focus areas addressed country challenges, were in line with country priorities, and reflected the priorities identified in the SCD (i.e., (i) enhance opportunities for the local population in tourism and fisheries, (ii) enable opportunities for creation of new sources of growth, and (iii) improve natural resource management, enhance efficiency and efficacy of public resource management, and reduce macro-fiscal risk). Macro-fiscal risks identified by the SCD required a strengthening of public financial management. Environmental issues—particularly those related to climate change—are crucial in the long term. On the basis of analysis and diagnostics presented in the SCD and the CPS, enhancing employability and economic opportunities deserved more attention, particularly in light of problems with youth employment. The program, based on WBG diagnostics at the outset, could have emphasized more enhancing the quality of education and of programs to incorporate youth into labor markets, which remains a huge challenge in Maldives.



4. Within a limited IDA envelope, the objectives under the CPS were supported by largely complementary WBG lending and ASA. Lending and ASA combined in ways that developed the policy dialogue with the authorities and promoted sector reform. Economic sector work was used to successfully initiate a dialogue on fisheries sector reform and lay the groundwork for the fisheries project in FY17. DPFs were used where quick fund releases were needed as a result of the COVID crisis, whereas IPF support was provided in support of longer-term sector engagements. Nevertheless, more emphasis on administrative capacity development—a well-recognized weakness in Maldives and underscored in the SCD—would have been preferable. The initial results framework had one strategic goal and three objectives that were measured by 17 indicators (9 for objective 1, 3 for objective 2, and 5 for objective 5). However, objectives were very broad and indicators did not measure adequately their achievement. The PLR brought a better-structured results framework, with three focus areas (derived from the initial three objectives) and six sub-objectives aligned under them (three in area I, two in area II, and one in area III). But indicators were in several cases inadequate to measure the achievement of the objective. For example, under Objective 1 it would have been helpful to have an indicator on education quality, especially given that the WB helped develop national assessment results assessments (NOLA). The PLR was used judiciously to adjust the program.

Selectivity

5. The objectives were focused on important country priorities and broadly reflected WBG comparative advantage. An IDA¹ envelope of US\$108 million required concentration on few objectives, but the program covered a wide range of activities within these objectives. The initial program contained 3 objectives that were very broad, and at a higher level than could be attributed to or achieved by World Bank interventions. The 6 objectives introduced at the PLR stage were at a (lower) level that could be achieved by World Bank interventions, and together with a streamlined set of indicators, provided the program with more focus and accountability. On the whole, the program was selective, although some objectives such as increased access to non-bank financial services were more of a distraction than a part of a coherent whole with the rest of the program.

Alignment

6. Although poverty and inequality are relatively low in Maldives, the SCD notes that the pace of poverty reduction has been below potential, and that limited job opportunities, especially for low-skilled labor, played a role in limiting the contribution of growth to poverty reduction. The first focus area of the program—promoting economic opportunities—was pursued through the enhancement of primary and secondary education to develop skills that were lacking in the labor force, especially for the young. It also intended to increase the economic benefits from the fishing industry, which were considered essential for shared prosperity.

5. Development Outcome

Overview of Achievements by Objective:

Focus Area I: Promoting Economic Opportunities

7. Focus Area I had three objectives: (i) improved access and quality of primary through secondary education systems; (ii) increased economic benefits from the fishing industry; and (iii) increased access to non-bank financial services.

¹ IDA also supports several small island economies, such as Maldives, that are above the operational cutoff for IBRD borrowing. As of April 2020, Maldives was estimated to be at high risk of external debt distress and a high overall risk of debt distress.



8. **Objective 1: Improve access and quality of the primary and secondary education systems.** This objective was supported by the Enhancing Education Development project (FY13), the Enhancing Employability and Resilience of Youth project (FY19), and an ASA on Enhancing Labor Market Participation and Resilience for Youth (FY16). Objective 1 had two indicators:
- Student retention rates through higher secondary education (grades 1-12). Baseline 20 percent. Target 27 percent. The ICRR for the Enhancing Education Development project (FY13) reports that the retention rate in higher secondary education increased from 17 percent in 2013 to 32 percent in 2018—the target was 27 percent. *Achieved*
 - Number of students benefiting from access to quality-enhancing activities (including female students). Baseline 22,000 students with 47 percent female. Target 50,000 students with 48 percent female. The ICRR for the Enhancing Education Development project (FY13) notes that approximately 66,000 students benefitted from the project of which 49 percent were female. *Achieved*
9. The World Bank contributed to this objective by improving learning conditions, helping in the preparation of a National Skills Master Plan, and making progress in skills development outside school:
- The learning environment was enriched in 53 secondary schools. Coverage included all 38 secondary schools in the country, plus some larger secondary feeder schools. Improvements were made for the expansion of higher secondary education at atoll education centers: construction of 42 new classrooms and 36 toilets, and purchase of new classroom furniture, computer systems, equipment for science laboratories, and modern video conference facilities. The retention rate in higher secondary education grades has improved, and gross enrollment rates increased significantly, helped by the WB intervention that expanded the number of schools that offered grades 11-12. Approximately 66,000 students benefitted from the World Bank intervention.
 - Working with the Ministry of Education, the World Bank developed a national education assessment program (NALO), and made it operational in grades four and seven for English, Mathematics, and Dhivelhi, with the goal of informing education policy and program development. NALO assessments were implemented in 2015 and 2017.
 - Nation-wide training needs assessments were conducted, and they will be used to prepare a National Skills Master plan. An entrepreneurship course and a short course on personal skills development are being developed, including IT training. Short term skills development courses have commenced, following which students will graduate, and seek employment.
10. Although access has improved, and student retention rates through higher education have increased, the program had no measure for assessing improvements in the quality of education. The ICR for the Enhancing Education Development Project noted that the 2015 and 2017 NALOs were not comparable due to curriculum changes, and IEG is not aware of more recent NALO assessments. According to the Ministry of Education,² the analysis of the 2017 NALO shows modest results with substantial regional and gender disparities, and that results dropped especially in grade 4. There is a significant number of students with achievement below the minimum standards, in the 15-31 percent range, which suggests a systemic problem with learning outcomes. *Mostly Achieved*
11. **Objective 2: Increase economic benefits from the fishing industry.** This objective was supported by the Sustainable Fisheries Resources Development project (FY17):
- Number of additional people benefitting from improved management and diversification of fishery sector. Baseline 0. Target 400; of which 15 percent women. The June 2020 ISR for

² Maldives: Education Sector Plan 2019-2023.



the Sustainable Fisheries Resources Development project (FY17) reports 574 total project beneficiaries of which 14.8 percent women. *Achieved*

- National income gained through mariculture production. Baseline 0. Target US\$3 million. The CLR reports that this objective was not achieved due to construction and import delays, and notes that the national income gained is \$350,000 against the US\$3 million target. *Not Achieved*

12. The World Bank contributed to this objective by helping develop infrastructure for mariculture, including for marine research and other facilities. Some vessel locating devices are already installed in the fishing vessels, and installation of the remaining devices is expected to resume within a week of lifting travel restrictions from outer atolls and islands. Initial pilot grow-out farms have completed one cycle of production of grouper, and the size, growth and survival of grouper in these mariculture farms have been very good. A large number of household-level entrepreneurs interested in grow-out farming of grouper have received training on business planning. There has also been considerable progress on studies and assessments related to marine fisheries. However, infrastructure development started slowly owing to the government's lack of clarity about parallel financing and has been further delayed due to travel restrictions. Import of fish fingerlings, feed and cages has also been severely disrupted. Slow implementation during 2017-18 was due to uncertain parallel financing committed by the Ministry of Finance (US\$2.9 million), which was first rescinded in 2017 and then reinstated in December 2018. *Partially Achieved*

13. **Objective 3: Increased access to non-bank financial services.** The objective was supported by NLTA Enabling a Non-Bank Money Solution (FY16), and had one indicator:

- Number of additional people using mobile network operator in targeted atolls/areas. Baseline 0. Target 75,000. The CLR reports that data for this indicator is not available. The NLTA product was a FINDEX Survey³ carried out in 2018 by the World Bank. *Not Achieved.*

14. Responding to a government request to address the crisis caused by the COVID-19 pandemic, which halted the tourism industry and led to a liquidity crunch in related sectors, IFC extended in July 2020 a loan for a working capital solutions facility of up to US\$50 million to the state-owned Bank of Maldives PLC—the largest commercial bank in Maldives—to support tourism and SMEs.

15. The CLR notes that mobile usage increased significantly in the atolls in the past few years. IEG could not verify this outcome. A pilot Mobile Phone Banking project (FY08) that closed before the CPF period was rated unsatisfactory by IEG. IFC's new intervention came in just beyond the CPF period and was not included in the results framework. *Not Achieved*

16. IEG rates achievement under Focus Area I as **Moderately Unsatisfactory**. Access in targeted education segments improved, but, according to the Ministry of Education, the quality of education remained inadequate at the primary and secondary levels according to NOLA nation-wide tests that the WB helped develop and introduce. The WB also helped develop mariculture infrastructure, which helped the fisheries sector. However, due to delays in implementation, only 10 percent of the expected impact on national income materialized. The increase in access to non-bank financial services could not be assessed due to lack of data, and an IFC intervention was too late to have an impact on the WBG program.

³ Financial Inclusion in the Maldives FINDEX 2018 Survey, World Bank Group, September 2019.



Focus Area II: Building Resilience to Climate Change, Natural Hazards, and Other Exogenous Shocks

17. Focus Area II had two objectives: (i) improved environment management; and (ii) enhanced preparedness for disaster risk management and climate change.

18. **Objective 4: Improved environment management.** The objective was supported by the Clean Environment project (FY17), the Environmental Management project (FY08), the Accelerating Sustainable Private Investment in Renewable Energy project (FY15), and the Accelerating Renewable Energy Integration and Sustainable Energy guarantee (FY21).⁴ It had one indicator:

- Increase in share of total waste collected at the selected island level. Baseline 0. Target 25 percent. The April 2021 ISR of the Clean Environment project (FY17) reports that there are 45 island wastewater management centers established but the data recording system is just being started so the actual amount of waste collected and processed is not known yet. *Partially Achieved*

19. The main World Bank contributions to environmental management are:

- A national geographic information system (NGIS) was developed to provide the spatial database and planning capacity to help integrate the environmental dimension in planning. It is accessible to all government agencies. The WB built human and technical capacity for environment management to a substantial extent.
- Made progress in projects to produce photo-voltaic energy in two plants of 5 MW and 11 MW.

20. The WB helped develop wastewater management centers, but there is no system in place to know how much wastewater is collected and processed. There were at least four separate implementing agencies of the Environmental Management project, which had difficulties coordinating among themselves due to their limited administrative capacity, and the WB could not overcome the local administrative constraints. Moreover, there were serious delays under the Clean Environment project in resolving serious operation and maintenance challenges; weak staffing, capacity and related performance of the site operator in Vandhoo, and problems with the EPA on regulatory monitoring of waste facilities. *Partially Achieved*

21. **Objective 5: Enhanced preparedness for disaster risk management and climate change.**

The objective was supported by the Climate Change Adaptation project (FY15), an ASA on Renewable Energy Resource Planning and Geospatial Planning (FY19), the Urban Development and Resilience project (FY20), the COVID-19 Emergency Response project (FY20), the COVID-19 Emergency Income Support project (FY20), and the Catastrophe Deferred Drawdown Option and Pandemic Emergency Financing credit and grant (FY20). The objective had two indicators:

- Percentage of island representatives trained in improved climate adaptive planning capacity in several sectors. Baseline 0. Target 50 percent. The February ICR of the Climate Change Adaptation project reports 59 percent achievement. *Achieved*
- Number of people benefitting from an improved emergency response system. Baseline 0. Target 200,000. The Urban Development and Resilience project was delayed and the National Emergency Operations Center envisaged under the project is still in its planning phase. However, there were a number of COVID-related operations, and with some of these funds the government established a Health Emergency Operations Center and developed a Health Emergency Operations Plan that address public health emergencies and disaster-related health incidents. This emergency response system is different from the one envisaged under the indicator, but addresses disaster-related health incidents for the population. *Partially Achieved*



22. The main World Bank contributions for disaster risk management and to reduce climate risk are:

- Trained island representatives on climate adaptive planning; improved and extended data collection on coral reef health data, and prepared briefs for coral reef monitoring to help government decision-making.
- Piloted a new conservation model for wetland protection.
- 24-month of solar resource data collected on four islands; meteorological wind data was collected at two sites over a two-year period. This data is crucial for increasing energy producing capacity through new renewable energy projects. The solar station and two measuring devices have been transferred to the government, providing it with state-of-the-art equipment to continue collecting solar and wind data.

23. A number of island representatives were trained to improve adaptive planning capacity in several sectors, and the government developed systems to deal with disaster-related health incidents. *Mostly Achieved*

24. IEG rates achievement under Focus Area II as **Moderately Satisfactory**. This focus area covered a key priority for Maldives. There was insufficient data to measure how much wastewater was collected and processed in the 45 island wastewater management centers that the WB helped establish. Objective 4 tracked only waste management—and not very well at that—while many WB projects targeted the enhancement of clean energy supply. Island representatives were trained to improve adaptive planning capacity to climate change, and the government developed systems to deal with disaster-related health incidents. Impacts of WB interventions approved in late FY20 will need to be assessed in the next strategy cycle.

Focus Area III: Strengthening Fiscal Sustainability

25. Focus area III had the objective of improving the efficiency of public financial management.

26. **Objective 6: Improve efficiency in public financial management.** The objective was supported by the PFM Systems Strengthening project (FY14) and its Additional Financing (FY18), and the Budget Credibility and Fiscal Sustainability DPF. The objective had two indicators:

- Monthly within-year budget execution is available to the public within one month of completion. Baseline none. Target: available for 2016, 2017, 2018 and 2019. The February 2021 ISR of the PFM Systems Strengthening project reports that within-year budget execution reports are made available to the public within a month of their issuance on the Ministry of Finance website. IEG verified on the Ministry of Finance website monthly fiscal developments reports for the period 2017-2021. *Achieved*
- Internal audit function is operational in central government agencies (CGEs) with revenue and/or expenditures of more than MVR 500 million. Baseline 4 agencies. Target 7 agencies. The 2020 PEFA performance assessment reports that 15 Central Government Entities have operational internal audit functions. *Achieved*

27. With WB support, Maldives has developed appropriate budget execution reporting to the public, and operational internal audit functions in 15 Central Government Agencies. The WB is working with the government to prepare a PFM Strategy and Reform Action Plan. The reform strategy—expected in December 2021—and prioritized action plan will be used as the rallying point for development partner support. *Achieved*

⁴ Although the ARISE project is included in this list, it was approved beyond the program period.



28. IEG rates achievement under Focus area III as **Satisfactory**. The WB helped Maldives to improve substantially its public financial management.

Overall Assessment and Rating

29. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the six objectives one was Achieved, two Mostly Achieved, two Partially Achieved, and one Not Achieved. On Focus Area I, access to education improved, but the Ministry of education reports that a significant number of students achievement ratings of below the minimum standards, in the 15-31 percent range, suggests a systemic problem with learning outcomes. Only 10 percent of the expected impact on national income from mariculture materialized. The increase in access to non-bank financial services could not be assessed. Data on wastewater collected and processed in the 45 island wastewater management centers was inadequate. The government developed systems to deal with disaster-related health incidents. Under Focus Area III the government significantly strengthened its budget execution reporting to the public and the internal audit function in a substantial number of Central Government Agencies.

Progress Toward Higher-Level Outcomes

30. The Maldives CPF did not explicitly articulate higher level Outcomes. The following outcomes appear to be the key government priorities relevant to World Bank programs:

- Improving Human Capital: Gains in education and health increased Maldives Human Development Index from 0.724 in 2015 to 0.740 in 2019. Between 2015 and 2019, life expectancy at birth increased by 1.1 years, mean years of schooling increased by 0.3 years and expected years of schooling increased by 0.1 years. Yet, one of the main challenges that Maldives faces is improving the literacy and numeracy of its youth to promote their inclusion in the labor market. One in four youth (15-24 years) are currently out of work, and that has increased since the COVID-19 crisis hit. Progress was made under the program in education and developing skills of youth and others that are out of school, but Maldives advancement in this area is below its HMIC status.
- Adapting to Climate Change and Environmental Sustainability: Maldives needs to preserve its pristine environment while addressing climate change related hazards. This is a race against time. Focus area II addressed some of the issues in this area, but work needs to be accelerated and part of an organized response that helps develop resilience.
- Fiscal Sustainability: Macro-fiscal risks are significant for Maldives and identified by both the government and the SCD. One of the ways the government has balanced social demands is by redistributing resources generated in the tourism sector through the budget. But the public and publicly guaranteed debt-to-GDP ratio has risen rapidly and is reaching distress levels. Prioritizing public spending and stabilizing the public debt-to-GDP ratio first, to reduce it later is a policy priority. The WB is has been successful in developing PFM and a public debt strategy; this work should continue complemented by joint efforts with the IMF to strengthen the macro-fiscal situation and sustainably reduce public debt-to-GDP.
- Economic Diversification and Social Sustainability: Maldives' successful high-end tourism sector has been driven by FDI and foreign labor. While this has helped achieve important development milestones, a rapidly expanding working-age population poses important challenges and requires generating economic opportunities Greater diversification is needed as, the current tourism-based structure is unlikely to be able to generate sufficient jobs, which may increase social tensions further. Initial progress was made in the fisheries sector, but the economy remains overly dependent on tourism.



Objectives	CLR Rating	IEG Rating
Focus Area I: Promoting Economic Opportunities for Maldivians	<i>Partially Achieved</i>	<i>Moderately Unsatisfactory</i>
<i>Objective 1: Improve access and quality of primary through secondary education systems</i>	Achieved	Mostly Achieved
<i>Objective 2: Increase economic benefits from the fishing industry</i>	Partially Achieved	Partially Achieved
<i>Objective 3: Increase access to non-bank financial services</i>	Partially Achieved	Not Achieved
Focus Area II: Building Resilience to Climate Change, Natural hazards, and Other Exogenous Shocks	<i>Partially Achieved</i>	<i>Moderately Satisfactory</i>
<i>Objective 4: Improve environment management</i>	Partially Achieved	Partially Achieved
<i>Objective 5: Enhance preparedness for disaster risk management and climate change</i>	Achieved	Mostly Achieved
Focus Area III: Strengthen Fiscal Sustainability	<i>Achieved</i>	<i>Satisfactory</i>
<i>Objective 6: Improve efficiency in public financial management</i>	Achieved	Achieved

6. WBG Performance

Lending and Investments

31. At the start of the CPS period, outstanding IDA commitments amounted to \$49.6 million consisting of 6 IPF operations approved during FY08-FY15. About two thirds of the commitments (\$33.1 million) were in Focus Area II (building resilience to climate change. The additional resources were used for education (Focus Area I), and PFM strengthening (Focus Area III). During the CPS period, new IDA commitments totaled \$147 million comprising 8 IPF operations including one additional financing project, and two DPFs for US\$30 million, one with a draw-down option. Over 40 percent of the commitments supported Focus Area II for environment, urban resilience, and renewable energy. The rest were for the two DPLs, Covid-19 response, and additional financing of the PFM project. Fourteen ASA supported all the objectives, with a significant number in the form of non-lending TA. Economic sector work supported primarily fisheries and financial sector (FSAP development module). One trust-funded activity supported the renewable energy project.

32. The lending program was conducted according to plan, with most unplanned interventions in response to the COVID-19 pandemic. The WB emergency response to COVID-19—which had severe economic and budget consequences—was supplemented by DPF operations that supported the budget, including one operation where funds could be drawn down by the government depending on its needs.

33. During the CPS period two operations were closed, both of which were reviewed by IEG.⁵ Maldives' performance at project exit, measured by outcomes rated Moderately Satisfactory or better by IEG, was inferior (50 percent of MS or better) to that in the South Asia Region (78 percent of MS or better) and in the World Bank as a whole (79 percent MS or better). This comparison should be interpreted with caution given the small project sample (2 projects) on which it is based.

34. The share of projects at risk averaged 30 percent, lower than the SAR region (44 percent) but higher than the World Bank (23 percent). Similarly, the share of commitments at risk was in line with

⁵ The Environmental Management project, which closed in 2016, was rated Unsatisfactory, and the Enhancing Education Development project, which closed in 2018, was rated Satisfactory.



the SAR region (21 percent) and with the World Bank (23 percent). Self-ratings of ongoing projects were generally Satisfactory, except for three projects in focus area II (building resilience), which were rated Moderately Unsatisfactory.

35. Just beyond the CPS period in July 2020, IFC made a loan for US\$50 million to the Bank of Maldives PLC—the largest commercial bank in Maldives—to support tourism and SMEs.

Analysis and Advisory Services

36. During the CPS period, the World Bank delivered 14 ASA products. Through FY18, for which a breakdown is available, 3 were economic and sector work (ESW) and 6 were non-lending technical assistance (TA). The ESW included support for sustainable fisheries, a Financial Sector Assessment Program development module, and analytical work on poverty issues.

37. There were synergies between WBG lending and ASA. The Economic Sector Work Maldives Fisheries Sustainable Fisheries Support, which was completed in FY16, initiated a dialogue on fisheries sector reform to increase the sector's economic contribution to the economy and sustainably expand job opportunities in fisheries. It laid the groundwork for the fisheries project in FY17. The World Bank also utilized ASA as an instrument to engage the authorities in areas such as financial sector development (FY17). It was helped in the design of a Medium-Term Debt Strategy (FY16) through an NLTA operation. In this same area, it provided advice on developing a Universal Health Insurance program (FY17) given that health spending was a major contributor to the fiscal deficit. ASA helped the authorities in Focus Area II by developing Renewable Energy Resource Mapping and Geospatial Planning (FY20). The latter was funded and supported by the NLTA Energy Sector Management Assistance Program (ESMAP), a multi-donor trust fund administered by the World Bank, under a global initiative on Renewable Energy Resource Mapping. Under this ASA, 24-months of solar resource data was collected on four islands. Similarly, meteorological data was collected at two sites over a two-year period using light detection and ranging measurement stations installed with government support. The exercise dovetailed with the ASPIRE⁶ initiative under Focus Area II, where 1 solar project (1.5MW) with private sector investment is operational and a further scale-up through a 5MW Phase 2 was underway in 2019. The Mobile Money and Financial Sector NLTA responded to a request from the Central Bank Governor in a legacy area from the previous WBG program, to help evaluate proposals from the Mobile Network Operators in the country, and other issues related to the development of mobile banking issues.

Results Framework

38. The initial framework consisted of three very broad objectives⁷ that reflected country development goals and SCD priorities. There were also too many indicators (17), a number of which did not adequately measure progress toward the objectives. At the PLR stage, the structure was with objectives under “focus areas”. The three new focus areas had 6 objectives. The number of indicators was reduced from 17 to 10, and significant revisions were made to the indicators themselves.

39. Still, the results framework-maintained areas of weakness. Focus area II (*preparedness for disaster risk management and climate change*) covered a key priority for Maldives, and a concentration of World Bank interventions. However, the results framework in this area did not capture well the WBG engagement because indicators were too narrow relative to WBG support. In addition,

⁶ Accelerating Sustainable Private Investment in Renewable Energy project.

⁷ Program objectives: (i) enhancing employability and economic opportunities; (ii) strengthening natural resource management and climate resilience; and (iii) improving the efficacy of public finance management and policy making. As a reminder to the reader, the key SCD priorities were: (i) enhance opportunities for the local population in tourism and fisheries, (ii) enable opportunities for the creation of new sources of growth, and (iii) improving natural resource management, enhancing efficiency and efficacy of public resource management, and reducing macro-fiscal risk.



under the education objective (focus area 1) the important quality aspect of the objective was not captured. On the whole, the results framework could have benefited from indicators that reflected better the contribution of the WB to the achievement of objectives and the country's goals. Moreover, some critical issues were missing from the framework. Although according to the SCD and the CPS low administrative capacity limits the ability across the public sector to support economic progress, the program concentrated efforts on developing capacity only in focus area III (fiscal sustainability).

Partnerships and Development Partner Coordination

40. The WB partnered with others, particularly the IMF and Asian Development Bank (ADB), especially on macroeconomic issues, debt management, and fiscal issues through a joint technical group that included the government. The CLR reports that this group is functioning well. A number of projects are co-financed or have parallel financing from the ADB (Clean Environment project and the COVID-19-related Emergency Response and Health Systems Preparedness project). The COVID-19 response also entailed coordination with the IMF, ADB, UNDP, UNICEF, and JICA. More generally, the World Bank meets regularly with the UN and the ADB to coordinate activities.

Safeguards and Fiduciary Issues

41. During the period covered by the CLR, one complaint referring to potential fraud was evaluated, and the allegation was corroborated. It was referred to the task team for resolution. There were no cases opened.

42. During the CPS, IEG validated two closed projects in the Maldives. Both triggered environmental and social safeguards in the Environmental and Natural resources and the Education global practices. According to the CLR, safeguard policies were generally complied with. The ICRs and ICRRs report that project implementation was temporarily challenged with poor safeguards performance because of the absence of specialists in the implementing agency team, and very low capacity on the ground. However, by the end of the projects, compliance was restored after the recruitment of safeguards specialists, constant capacity building and regular field visits. No Inspection Panel cases were filed during the CPS.

Ownership and Flexibility

43. Although there was broad government support for the program initially, the operating environment became difficult, primarily due to changes in the political situation in the country since the program was approved in April 2016. The country declared a state of emergency in February 2018 and closed Parliament due to unrest in the capital, Malé. Public institutions had difficulty carrying out their responsibilities, including those with the WB program. This manifested, for example, in the cancelling and subsequent restoration (a year later) of government co-financing of the Sustainable Fisheries Resources Development project, which eventually led to its restructuring. In other cases, such as the Environment Management project, the problems stemmed from poor administration of the project, which delayed implementation. The poor administration was not rectified during project execution and a key output of the project, a regional waste management system, was not operational at project close. The COVID-19 pandemic provided an opportunity to both the Bank and the government to re-engage. Two specific responses to the pandemic were the Emergency Response and Health Systems Preparedness project and the Emergency Income Support project. Moreover, in support of the budget—badly hit by a sizable revenue decline—the WB approved two DPF operations, the CAT/DDO and the Fiscal Sustainability and Budget credibility DPF. As a result, IDA active projects grew from 3 during the period FY16-19 to 8 in FY20. In addition, IFC re-engaged with the new government (elected in 2018) and extended a line of credit for SME lending in July 2021, to counter the economic impact of the COVID-19 pandemic on the private sector. In sum, the relationship with



Maldives has been improving after a slow start, and the government's engagement with the WB and support for the program is now more evident than just after program approval.

WBG Internal Cooperation

44. The CPF envisaged an active role for IFC in Maldives. However, IFC was not able to engage effectively with the Maldivians until FY19-FY20, due to a local environment that was not conducive to private business. Towards the end of the program, IFC and the World Bank collaborated to frame a parallel response to the COVID-19 crisis. In early FY21—and partly in response to the COVID-19 pandemic effects—IFC extended a \$50 million 3-year line of credit to provide working capital solutions to tourism-related companies and SMEs. The CLR reports that IFC also invested in a private multinational tourism enterprise (JKH) to refurbish sites in several countries, including Maldives. The CLR reports that IFC coordinated with the World Bank on the ASPIRE and ARISE⁸ projects to promote private investment in renewable energy.

Risk Identification and Mitigation

45. The World Bank identified four key risks that could affect the success of the program: (i) political disruption and governance deficiencies; (ii) weaknesses in institutional and fiduciary capacity; (iii) youth unemployment and increasing conservatism in some segments of Maldivian society;⁹ and (iv) climate change. Mitigation of (i) and (ii) was to focus on a strong focus on technical assistance and capacity development, for example through the Public Financial Management Systems Strengthening project. The program also intended to contribute directly to economic and social youth inclusion by strengthening primary and secondary education, thus mitigating the risk related to youth exclusion (risk (iii)). On climate change (risk (iv)), the program intended to mitigate potential short-run effects through direct contributions to improve climate resilience. Risks (i) and (ii) materialized, and the mitigations were only partially effective, as disruptions in the political environment and weak local capacity entailed significant disruption and delays in implementing the WB-supported program.

Overall Assessment and Rating

46. Overall, IEG rates World Bank Group performance as **Fair**.

Design

47. The three areas of WBG intervention (promoting economic opportunities, building resilience, and strengthening fiscal sustainability) reflected country and SCD priorities. However, project design was uneven, and in several projects local capacity constraints were not taken adequately into account. The PLR brought a better structure to an initially weak strategy design, but weaknesses remained in the results framework. The objective of access to non-bank financial services was more a distraction than coherent part of the program. Under focus area II (resilience to climate change and natural hazards) the results framework did not capture well the WBG engagement because measures were too narrow relative to WBG support. Although administrative capacity is a binding constraint to development, WBG strategy did not give sufficient attention to developing capacity across the public sector. Similarly, greater attention was needed on improving the quality of education—basic reading and numeracy skills—and for programs to incorporate youth into labor markets, including in the growing fishing industry, which required the development of specialized skills.

⁸ Accelerating Renewable Energy Integration and Sustainable Energy Guarantee

⁹ Increasing conservatism may have a detrimental effect on the ability of women, including the youth, to enhance their participation in secondary and higher education and to benefit from labor opportunities in sectors targeted by the CPS.



Implementation

48. Project implementation was challenging. The Environmental Management project (IEG rating Unsatisfactory) was unable to complete equipment procurement and commissioning by the end of the project. The Sustainable Fisheries Resources project was affected by inconsistent decision making by the Government, which rescinded Ministry of Finance co-financing in 2017 and reinstated it in December 2018, delaying implementation. The Clean Environment project suffered delays, in part due to design issues, and had to be restructured in May 2020 to revise its results framework and re-prioritize community engagement. Self-ratings of ongoing projects were generally satisfactory, except for three projects in the environment sector that had Moderately Unsatisfactory self-ratings on implementation progress. In a number of instances, project implementation lagged because there were multiple implementation agencies with limited capacity and that were unable to coordinate among themselves. The CLR notes that shortcomings in project implementation reflected insufficient presence of WB staff on the ground. The WBG response to the COVID-19 pandemic led to a re-engagement with the authorities by the WB and IFC. Still, there Bank project management presence in Maldives was lacking, and this remains a significant issue considering the ramp up in WBG activity in FY20-21 with the addition of 5 new IDA projects and one IFC project. The PLR was used judiciously, and the WBG responded well to COVID-19 crisis. Towards the end of the program, IFC and the World Bank collaborated to frame a parallel response to the COVID-19 crisis in Maldives.

7. Assessment of CLR Completion Report

49. The CLR provided an assessment of CPS design and WBG implementation performance based on adequate evidence. It would have benefitted from more thorough discussion of the ASA contribution to the program, particularly its linkage to lending, dissemination of results and impact on project implementation. It also has an incorrect interpretation of the rating of the development outcome (p. 8). The definition of a Moderately Unsatisfactory outcome rating—the relevant definition for the Maldives’ program—is “.... The program Achieved some of its Objectives and the majority was at least Partially Achieved; or it either Achieved or Mostly Achieved the majority of its Objectives but produced major shortcomings.”

8. Findings and Lessons

50. IEG broadly agrees with the CLR lessons and proposes the following lesson:

- Resources can be wasted on projects because local administrative capacity is inadequate in the public sector. The WB could have a bigger impact if local administrative capacity was stronger to allow more efficient and effective project execution. For this reason, the WB should deal with capacity constraints directly and explicitly. This is especially important in a country like the Maldives, which expects to become a high-income country in the foreseeable future and needs to stand on its own without aid or other support from development partners. The WB identified weak institutional capacity as a risk to the program but mitigating measures were only moderately effective.

Annex Table 1: Summary of Achievements of CPS Objectives

Annex Table 2: Comments on Lending Portfolio

Annex Table 3: Comments on ASA Portfolio

Annex Table 4: Comments on Trust Funded Portfolio

Annex Table 5: IEG Project Ratings for Maldives, FY16-21 (US\$, millions)

Annex Table 6: IEG Project Ratings for Maldives and Comparators

Annex Table 7: Portfolio Status for Maldives and Comparators

Annex Table 8: Comments on IFC Investments

Annex Table 9: Economic and Social Indicators



Annex Table 1: Summary of Achievements of CPS Objectives – Maldives

	CPS FY16-FY20: Focus Area I: Promoting Economic Opportunities for Maldivians	Actual Results	IEG Comments
Major Outcome Measures	<p>1. CPS Objective: Improved access and quality of primary and secondary education systems</p> <p>Indicator 1: Student retention rates through higher secondary education (grades 1-12) (reformulated)</p> <p>Baseline: 20% (2015) Target: 27% (2017)</p>	<p>The IEG ICRR - S for P131331 reports that the survival rate in higher secondary education (grades 1 to 12) increased from 17 percent in 2013 to 32 percent (29 percent for boys and 35 percent for girls) in 2018, surpassing the target of 27 percent.</p> <p>Achieved</p>	<p>The objective was supported by the (P131331) Enhancing Education Development, (P163818) Maldives: Enhancing Employability and Resilience of Youth Project (MEERY) and an ASA (P170088) Enhancing Labor Market Participation and Resilience for Youth in the Maldives Through Behavioral Approach</p> <p>At the PLR stage, the indicator was modified from the original: <i>Increased survival rates through higher secondary education (grades 1-12)</i> Baseline: 20% (2015) Target: 27% (2017)</p>
	<p>Indicator 2: Number of students benefitting from access to quality-enhancing activities (including female) (reformulated)</p> <p>Baseline: 22,000 -47% (2015) Target: 50,000- 48% (2018)</p>	<p>The IEG ICRR - S (P131331) accounts that approximately 66,000 students benefitted from the project, surpassing the target of 50,000 students.</p> <p>49 percent of beneficiaries were female, surpassing the target of 48 percent.</p> <p>Achieved</p>	<p>The objective was supported by the (P131331) Enhancing Education Development, (P163818) Maldives: Enhancing Employability and Resilience of Youth Project (MEERY) and an ASA (P170088) Enhancing Labor Market Participation and Resilience for Youth in the Maldives Through Behavioral Approach</p> <p>At the PLR stage, the indicator was modified from the original: <i>Number of students who will benefit from access and quality enhancing activities increased - of which female</i></p>



	CPS FY16-FY20: Focus Area I: Promoting Economic Opportunities for Maldivians	Actual Results	IEG Comments
			Baseline: 22,000 – 47% (2015) Target: 50,000 – 48% (2017)
	2. CPS Objective: Increased economic benefits from fishing industry		
	Indicator 1: Number of additional people benefitting from improved management and diversification of fishery sector (new) Baseline: 0 (2017) Target: 400 (o/w 15% women) (2020)	The June 30, 2020 ISR - MS (P157801) reports 574 total project beneficiaries of which 14.8 percent are women. Achieved	The objective was supported by the (P157801) Sustainable Fisheries Resources Development Project (Fourth South West Indian Ocean Fisheries Governance and Shared Growth Project) and an ASA P153335 Maldives Sustainable Fisheries Support
	Indicator 2: National income gained through mariculture production (new) Baseline: 0 (2017) Target: US\$ 3million (2020)	The CLR reports that this objective was not achieved. The June 30, 2020 ISR - MS for P157801 reports an actual production of USD 350,000 with a target of USD 9,000,000 by December 31, 2022. Not Achieved	The objective was supported by the (P157801) Sustainable Fisheries Resources Development Project (Fourth South West Indian Ocean Fisheries Governance and Shared Growth Project)
	3. CPS Objective: Increased access to non-bank financial services		
	Indicator 1: Number of additional people using mobile net-work operator in targeted atolls/areas Baseline: 0 (2015) Target: 75,000 (25% of total population by June 2020)	The CLR reports data for this indicator is not available. Maldives Development Update: Digital Dawn reported that Mobile payment service providers now have over 700 agents and merchants in more than half of all inhabited islands, including in over 70 islands that do not have commercial bank branches nor ATMs. Not Achieved	The objective was supported by the following ASA P155693 Enabling a Non-Bank Mobile Money Solution P157999 - FSAP Development Module
	CPS FY16-FY20: Focus Area II: Building Resilience to Climate Change, Natural Hazards and other exogenous shocks	Actual Results	IEG Comments
Major Outcome Measures	4. CPS Objective: Improved environment management		
	Indicator 1: Increase in share of total waste collected at the selected island level (new)	The CLR reports that data not yet available.	The objective was supported by the (P160739) Maldives



CPS FY16-FY20: Focus Area II: Building Resilience to Climate Change, Natural Hazards and other exogenous shocks	Actual Results	IEG Comments
<p>Baseline: 0% Target: 25% (2020)</p>	<p>The April 2021 ISR - MU (P160739) reports that there are 45 island waste water Management centers established with a target of 88 by 2023 but data recording system is just being started so the actual amount of waste collected and processed is not yet clear.</p> <p>Partially Achieved</p>	<p>Clean Environment Project; P108078 Maldives Environmental Management Project. P145482 ASPIRE and P171555 ARISE Renewable Energy Projects</p> <p>The indicator has no baseline year</p>
<p>5. CPS Objective: Enhanced preparedness for disaster risk management and climate change</p>		
<p>Indicator 1: Percentage of island representatives trained in improved climate adaptive planning capacity in several sectors (reformulated)</p> <p>Baseline: 0% (2015) Target: 50% (2018)</p>	<p>The ICR - MU of February 27, 2019 reports 58.8 percent achievement which exceeded the target as confirmed in the survey undertaken by PMU's specialist training consultant</p> <p>Achieved</p>	<p>The objective was supported by P153301 Climate Change Adaptation Project</p> <p>ASA P146018 Renewable Energy Resource Planning and Geospatial Planning</p> <p>IFC - Loan to BML</p> <p>At the PLR stage, the indicator was modified from the original: <i>Targeted island representatives in the Addu Atoll and Gnaviyani Atoll that demonstrate improved capacities to plan and manage multi-sectoral measures</i> <i>Baseline: 0% of Targeted island representatives demonstrate improved capacities to plan and manage multi-sectoral measures (2015)</i> <i>Target: 50% of Targeted island representatives demonstrate improved capacities to plan and manage multi-sectoral measures (2018)</i></p>



	CPS FY16-FY20: Focus Area II: Building Resilience to Climate Change, Natural Hazards and other exogenous shocks	Actual Results	IEG Comments
	<p>Indicator 2: Number of people benefitting from improved emergency response system (new)</p> <p>Baseline: 0 (2017) Target: 200,000 (2020)</p>	<p>The CLR reports that 500,000 people benefited from improved emergency response system and that the total achievement were taken as a whole based from the many instruments to address emergency response and the pandemic benefitted the entire population. IEG could not verify this information.</p> <p>The February 2021 ISR: S of P163957 reported that (0) people were provided with improved urban living conditions with a target of 176,749</p> <p>The January 2021 ISR: S of P163957 that zero (0) people signed up for emergency warning application</p> <p>The September 2021 ISR: S of P173801 reports that 6,340 number of daily testing from a baseline of 350.</p> <p>The April 2021 ISR: HS of P174014 reports that 22,860 benefited from the social safety net program that exceeded the 15,000 target</p> <p>Not Achieved</p>	<p>Projects that supported the objectives are P163957 Maldives Urban Development and Resilience Project; P173801 Maldives COVID-19 Emergency Response and Health Systems Preparedness Project (P173801); P174014 COVID-19 Emergency Income Support Project and P163939 Maldives Development Policy Financing with a Catastrophe Deferred Drawdown Option and Pandemic Emergency Financing</p>
	CPS FY16-FY20: Focus Area III: Strengthening fiscal sustainability	Actual Results	IEG Comments
	<p>6. CPS Objective: Improved efficiency in public financial management</p> <p>Indicator 1: Monthly in-year budget execution report is available to public within one month of completion (existing)</p> <p>Baseline: None (2015) Target: Available for 2016, 2017, 2018 and 2019.</p> <p>Major Outcome Measures</p>	<p>The Feb 2021 ISR: S of P145317 reports that the approved budget (the Budget Book) is made available to the public on the MoF website within two weeks from the approval by Parliament and in-year budget execution reports are made available to the public within a month of their issuance on the MoF website (www.finance.gov.mv).</p> <p>Achieved</p>	<p>This objective was supported by the following projects P145317 PFM Systems Strengthening Project and the P163966 Budget Credibility and Fiscal Sustainability DPF</p> <p>The following ASA supported the objective P157305 Maldives Medium Term Debt Management and</p>



	CPS FY16-FY20: Focus Area III: Strengthening fiscal sustainability	Actual Results	IEG Comments
			P153385 Maldives Macro Monitoring and Analysis Program At the PLR stage, the indicator was modified from the original: <i>Public access to monthly in-year budget execution reports provided within one month of completion</i> Baseline: No (2015) Target: Yes (2019)
	Indicator 2: Internal audit function is operational in central government entities (CGEs) with revenue and/or expenditures of more than MVR 500 million (existing) Baseline: 4 CGEs (2015) Target: 7 CGEs (2020)	The 2020 PEFA performance assessment reports that that 15 Central Government Entities (CGEs) have operational internal audit functions from a baseline of 4 CGEs in 2015. Achieved	At the PLR stage, the indicator target year was modified from the original: 2019

Annex Table 2: Comments on Lending Portfolio

IEG's review found no differences in lending portfolio data vs. what is presented in the CLR.

Annex Table 3: Comments on ASA Portfolio

IEG's review found the following ASAs that are not included in the CLR:

Proj ID	ASA	Fiscal year	Practice	Product Line	RAS	Comments
P153335	Maldives Sustainable Fisheries Support	2016	ENR	ESW	No	Not reported on CLR
P157004	Mobile Money and Financial Sector	2016	FCI	TA	No	Not reported on CLR
P157457	Youth and Gender inclusion	2016	URL	TA	No	Not reported on CLR
P157475	Governance Support	2016	GOV	TA	No	Not reported on CLR
P153408	Poverty and shared prosperity in MV	2017	POV	TA	No	Not reported on CLR
P158764	On demand analytical support	2017	OPV	ESW	No	Not reported on CLR
P153385	MV Macro Monitoring & Analysis	2019	MTI	AA	No	Not reported on CLR
P175088	Maldives Macroeconomic Monitoring	2021	MTI	AA	No	Not reported on CLR

Source: WB Business Intelligence Table 9.5 AAA Sector Summary Report

Annex Table 4: Comments on Trust Funded Portfolio

IEG's review found no differences in trust fund portfolio data vs. what is presented in the CLR.

Annex Table 5: IEG Project Ratings for Maldives, FY16-21 (US\$, millions)

Exit FY	Proj ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2016	P108078	MV: Environmental Management Project	15.6	UNSATISFACTORY	SIGNIFICANT
2018	P131331	Enhancing Education Development Project	9.2	SATISFACTORY	#
Total			24.8		

Source: AO Key IEG Ratings as of 08/30/2021

Note: IEG Risk to DO rating was dropped in July 2017 following the reform of the simplified ICRs but a narrative evaluation for Risk to Development Outcome was kept.



Annex Table 6: IEG Project Ratings for Maldives and Comparators, FY16-21

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Maldives	24.8	2.0	37.0	50.0	-	-
SAR	20,738.4	167	88.2	77.8	51.2	42.3
World Bank	123,732.6	1,235	84.0	79.0	35.8	37.6

Source: WB AO as of 08/30/2021

Annex Table 7: Portfolio Status for Maldives and Comparators, FY16-21

Fiscal year	2016	2017	2018	2019	2020	2021	Ave FY16-21
Maldives							
# Proj	2	4	3	4	9	9	5
# Proj At Risk			1	2	1	1	1
% Proj At Risk	0	0	33	50	11	11	18
Net Comm Amt (\$M)	16.5	52.0	54.0	74.0	140.6	154.6	82
Comm At Risk (\$M)	-	-	18.0	35.5	17.5	17.5	22
% Commit at Risk	-	-	33.3	48.0	12.4	11.3	26
SAR							
# Proj	173	179	172	176	186	177	177
# Proj At Risk	42	40	37	55	44	43	44
% Proj At Risk	24	22	22	31	24	24	25
Net Comm Amt (\$M)	30,922.5	29,834.5	31,244.6	31,890.8	32,998.6	33,788.0	31780
Comm At Risk (\$M)	5,470.7	6,258.3	6,829.5	7,767.4	6,629.8	6,040.8	6499
% Commit at Risk	17.7	21.0	21.9	24.4	20.1	17.9	21
World							
# Proj	876	918	943	1,012	1,120	1,146	1003
# Proj At Risk	157	155	148	148	123	140	145
% Proj At Risk	17.9	16.9	15.7	14.6	11.0	12.2	15
Net Comm Amt (\$M)	97,110.0	103,043.6	114,225.1	122,562.4	134,148.9	148,746.1	119973
Comm At Risk (\$M)	22,275.8	25,337.2	26,938.0	28,933.4	25,314.0	23,157.2	25326
% Commit at Risk	22.9	24.6	23.6	23.6	18.9	15.6	22

Source: WB AO as of 11/01/021

Agreement type: IBRD/IDA Only

Annex Table 8: List of IFC Investments in Maldives (US\$, millions)

The CLR did not present IFC investments.

Investments Committed in FY16-20

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
43969	BML Loan I	512237	2020	Active	Finance & Insurance	40.0	40.0	-	40.0
					Sub-Total	40.0	40.0	-	40.0

Investments Committed pre-FY16 but active during FY16-FY20

Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
26089	HDFC-Maldives	572035	2009	Active	Finance & Insurance	12.0	7.5	2.3	9.8
					Sub-Total	12.0	7.5	2.3	9.8
					TOTAL	52.0	47.5	2.3	49.8

Source: IFC-MIS Extract as of 6/30/21

Note: There are no IFC AS and MIGA Guarantees during the FY16-21 review period.

Annex Table 9: Economic and Social Indicators for Maldives, FY16-20

Series Name						Maldives	SA	World
	2016	2017	2018	2019	2020	Average 2016-2020		
Growth and Inflation								
GDP growth (annual %)	6.3	7.2	8.1	7.0	(32.0)	-0.7	3.7	1.5
GDP per capita growth (annual %)	1.7	2.7	4.1	3.9	(33.2)	-4.2	2.4	0.4
GNI per capita, PPP (current international \$)	16,010.0	16,630.0	17,460.0	18,340.0	12,840.0	16,256.0	5,958.7	16,560.2
GNI per capita, Atlas method (current US\$)	8,070.0	8,600.0	9,210.0	9,670.0	6,830.0	8,476.0	1,811.8	10,905.5
Inflation, consumer prices (annual %)	0.5	2.8	(0.1)	0.2	(1.4)	0.4	4.3	2.1
Composition of GDP (%)								
Agriculture, forestry, and fishing, value added (% of GDP)	5.7	5.4	5.2	5.2	..	5.4	17.0	3.4
Industry (including construction), value added (% of GDP)	11.1	11.2	12.8	11.7	..	11.7	24.7	25.2
Services, value added (% of GDP)	69.9	69.4	68.3	70.0	..	69.4	49.7	65.1
Gross fixed capital formation (% of GDP)	43.3	45.2	51.8	47.5	..	46.9	29.1	24.3
External Accounts								
Exports of goods and services (% of GDP)	72.0	72.3	70.1	69.0	..	70.9	17.7	29.3
Imports of goods and services (% of GDP)	77.1	79.3	83.7	78.0	..	79.5	21.2	28.5
Current account balance (% of GDP)	(23.6)	(21.6)	(28.4)	(26.8)	..	-25.1		
External debt stocks (% of GNI)	30.4	34.6	48.7	52.7	..	41.6		
Total debt service (% of GNI)	3.6	3.8	9.2	9.0	..	6.4	2.4	
Total reserves in months of imports	1.6	1.8	1.9	2.0	..	1.8	8.6	11.8
Fiscal Accounts ¹								
General government revenue (% of GDP)	27.5	27.6	24.6	26.7	26.4	26.6	24.7	
General government total expenditure (% of GDP)	36.3	30.7	32.4	33.4	47.7	36.1	30.5	
General government net lending/borrowing (% of GDP)	(8.8)	(3.1)	(7.8)	(6.6)	(21.4)	(9.5)		
General government gross debt (% of GDP)	62.3	64.4	74.5	78.1	142.6	84.4	55.7	
Health								

Series Name						Maldives	SA	World
	2016	2017	2018	2019	2020	Average 2016-2020		
Life expectancy at birth, total (years)	78.0	78.3	78.6	78.9		78.5	69.3	72.5
Immunization, DPT (% of children ages 12-23 months)	99.0	99.0	99.0	99.0	..	99.0	87.2	85.7
People using at least basic sanitation services (% of population)	99.2	99.4	..	..	..	99.3	57.6	72.9
People using at least basic drinking water services (% of population)	99.2	99.3	..	..	..	99.2	91.9	89.4
Mortality rate, infant (per 1,000 live births)	8.1	7.6	7.0	6.5	..	7.3	35.3	29.4
Education								
School enrollment, preprimary (% gross)	97.4	91.5	89.5	86.0	..	91.1	60.1	60.6
School enrollment, primary (% gross)	99.4	97.1	96.6	98.0	..	97.8	105.1	102.6
School enrollment, secondary (% gross)	..	..	85.3	81.3	..	83.3	69.7	75.7
School enrollment, tertiary (% gross)	..	31.2	..	..	..	31.2	23.9	38.1
Population								
Population, total (Millions)	475,505.0	496,398.0	515,704.0	530,957.0	540,542.0	511,821.2	1,814,236,955.8	7,590,511,304.4
Population growth (annual %)	4.4	4.3	3.8	2.9	1.8	3.4	1.2	1.1
Urban population (% of total)	39.0	39.4	39.8	40.2	40.7	39.8	34.0	55.3
Rural population (% of total pop)	61.0	60.6	60.2	59.8	59.3	60.2	66.0	44.7
Poverty								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	-	..	..	..	..			9.5
Poverty headcount ratio at national poverty lines (% of pop)	8.2	..	..	..	..	8.2		
Rural poverty headcount ratio at national poverty lines (% of rural pop)								
Urban poverty headcount ratio at national poverty lines (% of urban pop)								
GINI index (World Bank estimate)	31.3	..	..	..	..	31.3		

Source: WB Databank World Development Indicators 08/31/2021

*International Monetary Fund, World Economic Outlook Database, April 2021