



Maldives: COVID-19 Active Response and Expenditure Support Program

Project Name	COVID-19 Active Response and Expenditure Support Program	
Project Number	54189-001	
Country	Maldives	
Project Status	Approved	
Project Type / Modality of Assistance	Loan ND Technical Assistance	
Source of Funding / Amount	Grant 0710-MLD: COVID-19 Active Response and Expenditure Support Program	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 25.00 million
	Loan 3942-MLD: COVID-19 Active Response and Expenditure Support Program	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 25.00 million
	TA 6369-MLD: Improved Implementation of the Government's COVID-19 Response Package	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Health - Disease control of communicable disease - Health system development Public sector management - Public expenditure and fiscal management - Social protection initiatives	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>COVID-19 has severe adverse health, social, and economic impact on Maldives. As of 28 April 2020, Maldives has 250 confirmed cases, with 17 recoveries and 0 deaths. While the first confirmed case was recorded on 7 March 2020, it saw a sudden spike since 14 April 2020, with confirmed cases doubling on 19 April 2020 and subsequently every 4 days until recently. The first local transmission was confirmed on 15 April 2020, which is alarming as Maldives might not be prepared if the communal spread of COVID cases escalate. Maldives faces serious challenge in terms of healthcare facilities available in the country if the spike in number of cases continues and community spread intensifies. Apart from the ongoing health risk, Maldives faces the risk of severe economic downturn through decline in travel and tourism industry and disruption in domestic activities. ADB estimates that, in 2020, Maldives' gross domestic product (GDP) is expected to be negatively affected in the range of 8.2% to 17.2%. Similarly, the International Monetary Fund anticipates an -8.1% GDP growth rate in 2020, while the Maldivian government forecasts 2020 GDP growth in the range of -7.7% and -11.5% depending on the severity of the crisis.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>As of 28 April 2020, there were more than 3.1 million infected cases reported worldwide, with around 217,000 deaths. The virus is now spread across 211 countries and territories all over the world. With the extent of spread and the rising number of positive cases everyday, the pandemic poses serious concerns over the potential economic impact going forward. The foremost impact originates from the travel and tourism disruption and its related industries. According to the World Travel and Tourism Council, tourism income constituted 10.3% of global gross domestic product, 28.3% of global services exports, and 330 million jobs (i.e. 1 in 10 jobs globally) in 2019. The current global pandemic puts around 50 million jobs at risk. COVID-19 is also going to affect trade and the manufacturing sector. Social distancing, lockdowns, border restrictions, and high levels of uncertainty is resulting in significant drop in demand for goods, upsetting the logistics sector and disrupting global value chains in supplier countries. The pandemic will also have indirect long-term economic impact as the current measures implemented to contain the outbreak may trigger a change in public behavior to avoid contagion even when the scare of the virus recedes. The International Monetary Fund, in its recent April 2020 projection, has estimated the global growth in 2020 to fall to negative 3%, a downgrade of 6.3 percentage points from its January 2020 estimate. Growth in advanced economies is projected at -6.1%.</p>	
Impact	Social inclusion promoted and economic resilience improved	
Project Outcome		
Description of Outcome	Adverse socioeconomic effect of COVID-19 for poor and vulnerable groups mitigated	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	<p>COVID-19 health response measures implemented Social protection measures implemented Economic assistance measures implemented COVID-19 response governance mechanisms strengthened</p>	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	B	
Involuntary Resettlement	C	

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	The TA will hire a variety of experts in social development, gender, economics, and finance to support the government to achieve the outcome efficiently.
Procurement	ADB has been working closely with the Ministry of Health, and in collaboration with WHO and UNICEF, on the procurement of critical medical equipment and supplies.
Responsible ADB Officer	Karan, Navendu
Responsible ADB Department	South Asia Department
Responsible ADB Division	Regional Cooperation and Operations Coordination Div, SARD
Executing Agencies	Ministry of Finance (formerly Ministry of Finance and Treasury) Ameenee Magu, Block 379, Male', Republic of Maldives
Timetable	
Concept Clearance	-
Fact Finding	20 Apr 2020 to 22 Apr 2020
MRM	28 May 2020
Approval	25 Jun 2020
Last Review Mission	-
Last PDS Update	25 Jun 2020

Grant 0710-MLD

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	25.00	Cumulative Contract Awards			
ADB	25.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Loan 3942-MLD

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	25.00	Cumulative Contract Awards			
ADB	25.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

TA 6369-MLD

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	-	0.00

Project Page	https://www.adb.org/projects/54189-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54189-001
Date Generated	26 June 2020

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