

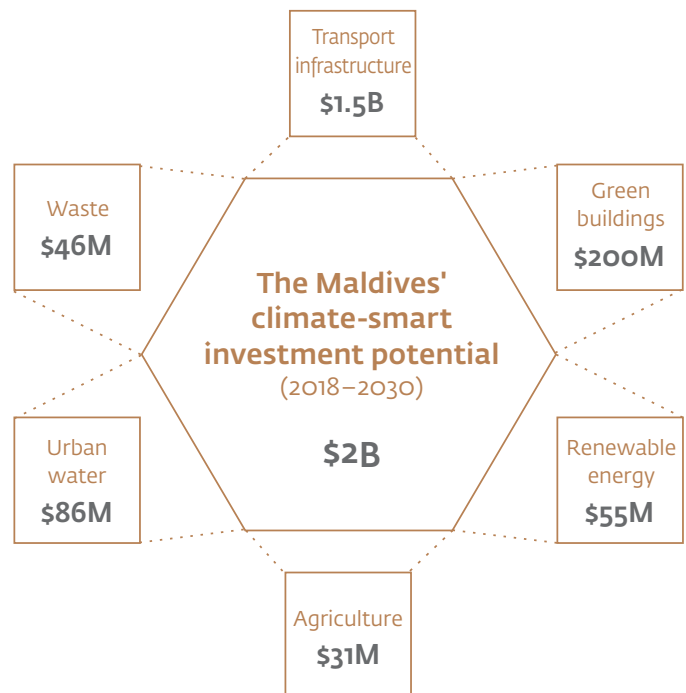
Climate Investment Opportunities in South Asia

Maldives



The Maldives graduated from least developed country status in 2011 and is now categorized as an upper-middle-income country.

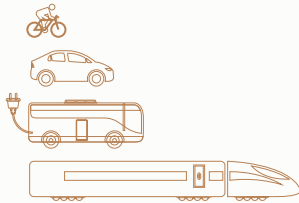
Its economy is expected to grow by 4.9 percent in 2018, driven primarily by the construction and tourism sectors. **The low elevation of the Maldivian islands makes the nation highly vulnerable to rising sea levels.** Its Nationally Determined Contribution (NDC) under the Paris Agreement acknowledges the challenges it faces given its high population density, dispersed geography, and limited resources. Actions that the Maldivian government is taking to address these issues include relocating and consolidating its population from the outer islands to the greater Malé region to effectively use its resources. Given the country's vulnerability, its NDC focuses on crucial actions to strengthen the country's resilience to climate impacts and prioritizes mitigation in energy, transport, and waste. Invest Maldives, the government investment promotion agency, has invited private investment in agribusiness, energy, financial services, and infrastructure.



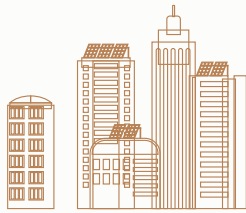
IFC estimates a total climate-smart investment opportunity of \$2 billion in the Maldives from 2018 to 2030:



\$55 MILLION IN RENEWABLE ENERGY to reduce its dependence on imported fossil fuels, and meet its goals of adding 20MW of solar capacity by 2020, while contributing to its target of 100 percent renewable generation by 2050



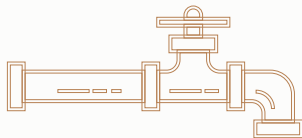
\$1.5 BILLION IN TRANSPORT INFRASTRUCTURE to promote integrated transport networks that are resilient to climate impacts



\$200 MILLION IN GREEN BUILDINGS fueled by the government's intent to address a housing shortage as well as the plan to relocate its population more centrally around the greater Malé region



\$46 MILLION IN MUNICIPAL SOLID WASTE to manage and safely dispose of solid waste, including through composting, with generation increasing at an average rate of 4 percent per year



\$86 MILLION IN CLIMATE-SMART URBAN WATER to bring wastewater treatment levels up from 0 percent currently to 69 percent by 2030



\$31 MILLION IN CLIMATE-SMART AGRICULTURE to enhance the resilience of the agricultural sector through efficient technologies and support the country's marine fisheries and mariculture sector



Priorities for the Maldives to Attract More Climate-Smart Investment

Leveraging private sector expertise and capital can help to plan and implement the migration to the greater Malé region so as to reduce pressure on urban infrastructure and resources, ensure transit-oriented development, reduce congestion, and enable new buildings to be green and resilient. Given land and other geographic constraints, encouraging rooftop solar in inhabited islands may provide an opportunity to reduce diesel imports and emissions, while creating jobs. Incentivizing private tourist resorts to conduct energy audits, switching to renewable energy sources and adopting green and resilient measures for new construction on resort property will also increase private investment. Policy frameworks and guidelines alongside a one-stop-shop agency for public private partnerships in infrastructure will also send a strong signal to private investors.

IFC Advisory and Investment Spotlights



UNIVERSAL ENTERPRISES PRIVATE LIMITED (2010)

In 2010, IFC provided a \$2.5 million loan through its “Cleaner Production” Lending Pilot Facility to Universal Enterprises, an operator of eight island resorts in the Maldives, to support the application of Cleaner Production best practices—an integrated strategy to minimize waste and pollution by making energy and water processes more efficient. Universal Enterprises conducted an assessment of four of its resorts, which led to recommendations to optimize the use of electrical and diesel generator sets, steam and hot water systems, refrigeration and air conditioning, and lighting. Together, these measures qualified for funding through IFC’s Cleaner Production Lending Pilot Facility. The company will cover the remaining \$2.76 million in project implementation costs itself.

These measures are expected to reduce greenhouse-gas emissions by more than 5,000 tons per year, or 25 percent of the four resorts’ total existing emissions. The measures will also save about 21,500 cubic meters of water and 4million kWh of electricity each year.



ASPIRE PROJECT (2014–PRESENT)

The Accelerating Sustainable Private Investment in Renewable Energy project is enabling private sector investment in photovoltaic infrastructure development and diversifying the investment base in the country by developing a local market and expertise in renewable energy. The project received a \$16 million International Development Association guarantee from the World Bank, as well as a \$11.7 million grant from the Scaling Up Renewable Energy Program.

The Maldives is one of six pilot countries that participated in the Scaling Up Renewable Energy Program. The Maldivian government has developed an investment plan to expand renewable energy in the country. Led by the World Bank, the ASPIRE project is a five-year initiative designed to promote additional private sector investments of between \$40 million and \$70 million in these projects, resulting in up to 30 MW of new solar photovoltaic capacity. The ASPIRE project develops local capacity, helps structure and deliver a tariff buy-down for planned projects, and provides a security package to cover payment shortfalls.

This factsheet summarizes details from the Climate Investment Opportunities in South Asia report, which covers Bangladesh, Bhutan, India, the Maldives, Nepal and Sri Lanka. <http://world.org/PgpC30gS88e>



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