



Increasing Climate Change Resilience of Maldives through Adaptation in the Tourism Sector



Background

With more than 30% of GDP and 60% of foreign exchange receipts, tourism is the dominant sector of the Maldivian economy. Tourism operations are intimately connected to a diverse range of value chains which provide goods and services related to agriculture, fisheries, manufacturing, construction, energy, water and waste management. Climate change undermines the resilience, viability and profitability of these value-chains both directly and indirectly. Notwithstanding the evident impact of climate-related events on the tourism sector, environmental management systems in the tourism industry are highly self-regulated and their compliance is not properly enforced. Climate change adaptation is not integrated into policy and planning instruments of the tourism sector, which leads to insufficient adoption of climate-smart planning and investment practices. A number of tourism operators still employ water, waste and energy management practices which keep damaging the natural capacity of the sensitive reef ecosystem to adapt, and render tourism value chains vulnerable to climate-related shocks and stresses.

Project Objectives

This project (under LDCF support) will provide develop the following outputs:

- Provide the tourism sector in the Maldives with the required **policy environment, regulatory guidance, technical skills and knowledge** to ensure that climate change-related risks can be systematically factored into day-to-day tourism operations.
 - Revise existing laws and regulations that govern the tourism sector to incentivise private sector investments in climate change adaptation in the tourism sector
- **Strengthen the capacity** of the Ministry of Tourism, Arts and Culture and tourism businesses to recognize evident climate risk issues in tourism operations and adopt appropriate adaptation measures to address them.
 - Review the existing documents on adaptive and maladaptive practices in resorts/safari vessels
 - Develop addendum to the National Building Code pertaining to physical planning and construction in tourist resorts
 - Develop guidelines on freshwater management; solid waste and waste water management; physical and energy infrastructure
 - Conduct training workshops for MTAC staff and tourism operators on the technical guidance developed through the project on climate-proofing sensitive resource management systems and infrastructure

- Establish at least **10 new investment projects** to climate proof operational infrastructure in tourist resorts / safari vessels to showcase the economic and environmental benefits of no-regrets adaptation in tourism operations.
 - Develop and implement at least 10 new investment projects on climate-proofing water supply/storage/distribution, solid waste management, waste water management, energy management and constructing new infrastructure in resort islands/or safari operations.

This will demonstrate:

- The adoption of climate-resilient building codes for over-and underwater infrastructure;
- Climate-resilient freshwater collection, distribution and storage;
- Flood-proofing of waste and waste water management systems;
- Protection of coastal ridges and vegetative belts;
- Diversification of energy services with renewable sources.

New projects and climate proofing of existing facilities/infrastructure to be based on guidelines developed through the project. For instance, best waste water treatment options, usage options and discharge to be identified and implemented through new projects or retrofitting of existing infrastructure.

- In addition, **10 community-based adaptation projects** in tourism-associated communities will demonstrate how tourism operators and tourism-dependent communities can cooperate on joint initiatives to reduce common vulnerabilities.

This will demonstrate (not an exhaustive list):

- Joint-waste management systems that will effectively manage waste accumulation in the island community and also lead to reductions in operations costs for the resort in transporting waste to landfills.
 - Climate-resilient freshwater collection, distribution and storage which would address the issues of island-level water shortages during the dry season.
 - Diversification of energy services which generate power for the projects to be implemented under this component.
- To cover residual catastrophic risk, the project will develop the capacity of the government and the tourism industry to assess the feasibility of **market-based risk financing mechanisms** (such as weather index-insurance) and ensure that tangible private-sector investments can be leveraged.