



Ministry of Tourism and Environment
Male, Republic of Maldives

Guideline on Clustering of Islands within the Same Lagoon for Tourism Development Proposals

1. Purpose

1.1 This Guideline is issued pursuant to Regulation No. 2022/R-125 (Cross-Subsidy Regulation) to establish clear and uniform criteria for clustering multiple islands located within the same lagoon for the purpose of evaluating tourism development proposals.

1.2 The objective of this Guideline is to ensure consistency, transparency, and fairness in determining eligibility for island clustering and in calculating the applicable Lease Acquisition Cost (LAC).

1.3 The provisions herein apply to all proposals submitted under the Cross-Subsidy model in which an applicant seeks approval to cluster more than one island within a single lagoon.

2. Criteria for Clustering of Islands

2.1 Same Lagoon Requirement

2.1.1 Only islands situated within the same lagoon boundary shall be eligible for clustering.

2.1.2 Islands separated by natural channels or located in different lagoons shall not be considered part of the same cluster.

2.2 Initial Island Determination

2.2.1 The island identified as the **initial island** in the proposal on which the base LAC rate is applied shall be recognized as the primary island of the cluster.

2.2.2 All additional islands must form part of a coherent and integrated development concept centered around the initial island.

2.2.3 For the purpose of cluster configuration, the initial island shall be considered the central reference point for determining the location and arrangement of the cluster.

2.3 Distance Criteria

2.3.1 All islands proposed for clustering must lie within a maximum **1,000-metre radius**, measured from the **mean tide line** of the initial island.

2.3.2 Islands located beyond this radius shall not be accepted as part of the cluster.





2.4 Maximum Island Size and Number for Clustering

2.4.1 Any island proposed for inclusion in the cluster must have a **land area of less than 3 hectares** (islet) prior to any reclamation activities.

2.4.2 A maximum of **five (5) islets** may be added to the initial island within a single cluster.

2.4.3 Islands acquired as a cluster shall not be eligible for subdivision or issuance of separate leases under the Grant of Rights Regulation (No. 2010/R-14).

2.4.4 Islands acquired as a cluster shall not be eligible for further boundary extensions under Regulation No. 2023/R-90.

2.4.5 Proposals seeking to include more than five islets shall be deemed a **separate cluster**, and a new LAC calculation including a new base rate shall apply.

2.4.6 Islands exceeding **3 hectares** shall be assessed independently in accordance with the standard LAC structure and are not eligible for inclusion in a cluster.

2.5 Maximum Extent and Environmental Considerations

2.5.1 A cluster may include the initial island and up to **five additional islets**, provided all conditions in Sections 2.1–2.4 are met.

2.5.2 During evaluation, the Ministry shall consider environmental sensitivity, surrounding reef condition, and navigational safety. The Executive Committee reserves the right to require modifications to the proposed cluster configuration based on these considerations.

3. Calculation of Lease Acquisition Cost (LAC)

3.1 Once the islands are approved as a cluster, the **total combined land area** of all islands within the cluster shall be used as the basis for calculating the Lease Acquisition Cost (LAC).

3.2 The **base LAC rate of the initial island** shall apply to the **entire cluster area**, irrespective of the number of islands included.

3.3 Each approved cluster shall form a **separate lease agreement**, and the LAC shall be calculated accordingly.

3.4 No additional or multiple base rates shall be applied for individual islands within the cluster.

3.5 If reclamation is proposed as part of the development concept, the **reclamation LAC** shall be determined in accordance with the applicable regulations and based on the **registered land area after reclamation**.





4. Mapping and Submission Requirements

4.1 Applicants seeking approval for a cluster must submit the following documentation:

- Georeferenced maps clearly delineating all islands proposed for clustering.
- Verified distance measurements from the initial island to each surrounding island.
- Officially verified land area of each island (pre-reclamation), sourced from **onemap.mv**.
- Lagoon boundary delineation based on authoritative data.

4.2 A formally surveyed map may be submitted where discrepancies exist between onemap.mv and actual island measurements, subject to verification by the Ministry.

5. Implementation

5.1 This Guideline shall apply to all new Cross-Subsidy proposals submitted after its date of issuance.

5.2 Proposals currently under evaluation may choose to adopt this Guideline upon written request from the proponent.

5.3 The Ministry reserves the right to review and amend this Guideline as necessary to ensure regulatory coherence, environmental protection, and effective tourism planning.

Published Date: 29th January 2026

