



WHY THE MALDIVES NEED A BETTER NATIONAL PLAN, NOT 'PLEDGE-BASED' DEVELOPMENT

WHEN DEVELOPMENT DESTROYS ECOSYSTEMS

In June of this year it was announced that a new airport would be built in the protected island of Dhigulaabaadhoo - despite it being on the Ministry of Environment's 'sensitive islands' list.

Tourism Minister Moosa Zameer justified¹ the decision by saying that the airport was necessary to attract more tourism in Gaaf Dhaal Atoll. If this project goes ahead, it will be the third airport in Huvadhoo Atoll (Gaaf Alif and Gaaf Dhaal Atolls), despite the atoll only having five resorts in total.

The project would go against the concerns of the Ministry of Environment's Director General, Mohamed Zahir.

"It is like a breeding ground or nursery for rays and whale sharks. If we excavate and fill up the mangroves and rivers of the island, it will cause irreversible damage to the sensitive ecosystem of the island," said Zahir.²

Such ill-conceived projects arise due to the 'pledge-based development' in the Maldives as opposed to a national or regional development plan.

This governance update will attempt to highlight the dangers of pledge-based development plans compounded by a lack of national and regional development plans.

WHAT IS PLEDGE BASED DEVELOPMENT - AND WHY IS IT A PROBLEM?

We have had five-year development plans in the Maldives, but no overall long term plans. Development currently depends on promises by political parties. As often happens, even existing land use plans (drawn up for some islands) are swept away to fit party pledges.

During the Presidential election of 2013, the Presidential candidate of the Progressive Party of Maldives (PPM), Abdullah Yameen, pledged the

¹ Maldives Independent, 2016, also found at: <http://maldivesindependent.com/environment/plans-for-airport-on-protected-island-alarms-environmentalists-125795>

² Mihaaru, 2016, also found at <http://en.mihaaru.com/maldives-looks-to-build-airport-in-protected-island/>

construction of an airport in H.Dh. Kulhudhuffushi, which is roughly half an hour away from the H.Dh. Hanimaadhoo International Airport by public transport.

Like Dhigulaabaadhoo, Khulhudhuffushi is also one of the 'Environmentally Sensitive Areas' identified by the Ministry of Environment with one of the largest mangrove areas in the region.

According to current plans the airport will be built by clearing land and reclaiming part of the mangrove, an area proposed to be protected by the Environment Protection zone of 2012.

Mangrove ecosystems are 'bio-shields' that improve climate resiliency. During the 2004 Asian tsunami, damage was exacerbated in areas of the region where there had been an over clearing of mangroves and other bio shields.

Pledges are made to win votes, thus pledges are "what the people want". The most popular pledges today are water, harbour construction and land reclamation. However when taking into account "needs vs wants", what the people claim to want may not be what they need.

AD-HOC PROJECTS

Ad-hoc projects is another danger. Gulhi Falhu, an industrial island project amended by the Nasheed administration to divert the population congestion in the capital Male', is a failed example of such spontaneous development projects. During the Nasheed presidency the island was rebranded The Global Green City and was focused on decongesting Male'.

It is worth noting that when the project was amended during the Maldivian Democratic Party (MDP) administration, the waste management failure that is Thilafushi, which is only 200 yards from Gulhi Falhu, was not properly addressed. The nearby populations continue to suffer from the toxic fumes produced from burning a majority of the nation's waste on the island.

The project however was halted in an overnight decision by order of the Presidents Office, after the sudden change in government in 2012.

According to Gulhi Falhu Investments Limited (GIL) "the decision was made following the advice of the Cabinet's Economic Council, Chaired by the then Tourism Minister Ahmed Adeb. According to GIL, Economic Council received consultation from experts that developing a settlement in Gulhi Falhu is not a sound decision, based on health and geological factors. GIL has also noted the properties in Gulhi Falhu were developed without obtaining proper authorisation from authorities.³

INVESTOR SECURITY AND LOSS

Global Projects Development (GPD), the company formed to undertake Gulhi Falhu development, has accused Gulhi Falhu Investment Limited (GIL) of failing to uphold its part of the agreement in registering the houses with the relevant authorities.

"GPD believes that if there are any issues which would affect the livelihood of habitants of the island it is the responsibility of the government and GIL to address those issues," read a press release from GPD.

By the time the Gulhifalhu housing project, which was being carried out with a financial guarantee from the government of Denmark, was cancelled, the housing units had been built and some had already paid the acquisition cost of housing units.⁴

"We are not big businessmen. We are simple people who gave up all our life savings because we wanted accommodation near the capital Malé," said Adam Nadeem the representative for a buyers association comprising seven families who made down payments on flats six years ago.⁵

Such policy shifts negatively impact investors and could affect the economy with dips in foreign investment in the country. When projects get delayed or cancelled investors suffer from further consequences such as loss from increasing exchange rates as time progresses.

Another example of an overnight policy shift is the prominent GMR Group case.⁶ Due to the politicization of development, mega projects like the now infamous airport deal with the infrastructure company, GMR Group have to be

3 Raajje.mv, 2016, also found at: <https://raajje.mv/26756>

4 Vnews, 2016, <http://www.vnews.mv/67910>

5 Maldives Independent, 2016, also found at: <http://minivannewsarchive.com/business/future-of-gulhifalhu-in-doubt-as-government-halts-project-90753>

6 Journal of South Asian Studies, 2014, also found at: <http://escijournals.net/index.php/JSAS/article/view/702/439#.V70mp5N97-Z>

terminated, leading to damaging consequences to tax payers and even the international relations of the country. The GMR group filed an arbitration case against the Maldivian government, the result of which was a sentence handed down to the Maldivian government to pay the company a compensation of USD 4 million.

NEGATIVE IMPACTS TO COMMUNITIES

Due to cases like these, in addition to burdens on tax payers, communities are left without basic necessities such as housing, clean water and proper waste management solutions.

After the 2004 Tsunami, survivors were left living in temporary shelters for a decade afterwards. Several years after the disaster, claims emerged that corrupt officials had embezzled USD 1.6 million from the Tsunami relief effort.

A multitude of housing projects in the greater Male' area have also been ongoing, the purpose of which is to alleviate the housing stress on the capital. However due to delays in construction, issues in contracts and policy changes by the government such as the hiking up of prices of housing units have left citizens suffering.

WEAKNESS IN THE AREA OF PROJECT IMPLEMENTATION

An ideal development method would be one free from dependency on foreign aid. However it is unrealistic for small island developing states to mobilise domestic resources for development, as such it is critical that Overseas Developmental Assistance (ODA) and especially climate funds are implemented properly with a focus on the Sustainable Development Goals (SDG's).

The current SDG's focus greatly on climate resiliency with goals such as 'climate action', 'clean water and sanitation', 'affordable and clean energy', 'sustainable cities and communities' and 'good health and well-being'.

Finance Minister Ahmed Anwar has stated that work was not being completed compared to the amounts of financial aid the country receives.⁷ Thus as recipients we must strengthen the area of project implementation and ensure mutual accountability.

The Minister also stated that a USD 100 million (MVR 1.5 billion) project is scheduled next year to tackle climate change. The project will most likely be aimed at tackling the waste management problem in Thilafushi.

CONCLUSION

The above cases are just some in a string of foreign and local investments that have faced difficulty over the recent years due to ad hoc policies and government changes. A waste management deal with Tatva Global Renewable Energy, a border security deal with the Malaysian security firm Nexbis have also been terminated with Nexbis given 14 days to evacuate. While the Tata housing project faced years of delay.

The corner stone of the economic policy of the current government of President Yaameen Abdul Gayyoom is boosting investor confidence and the establishing of Special Economic Zones (SEZ).

However the current trend of ad-hoc projects, overnight policy shifts, pledge based development and the lack of proper long term development plans are detrimental to investor confidence.

Furthermore development projects cannot progress in an effective and timely manner without the cooperation and support of local communities. It is vital to promote inclusive governance and proactive disclosure of information by the government bodies and implementing agencies.

⁷ Mihaaru News, 2016, also found at: <https://mihaaru.com/news/3199>