



INTEGRATED SDG INSIGHTS MALDIVES

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

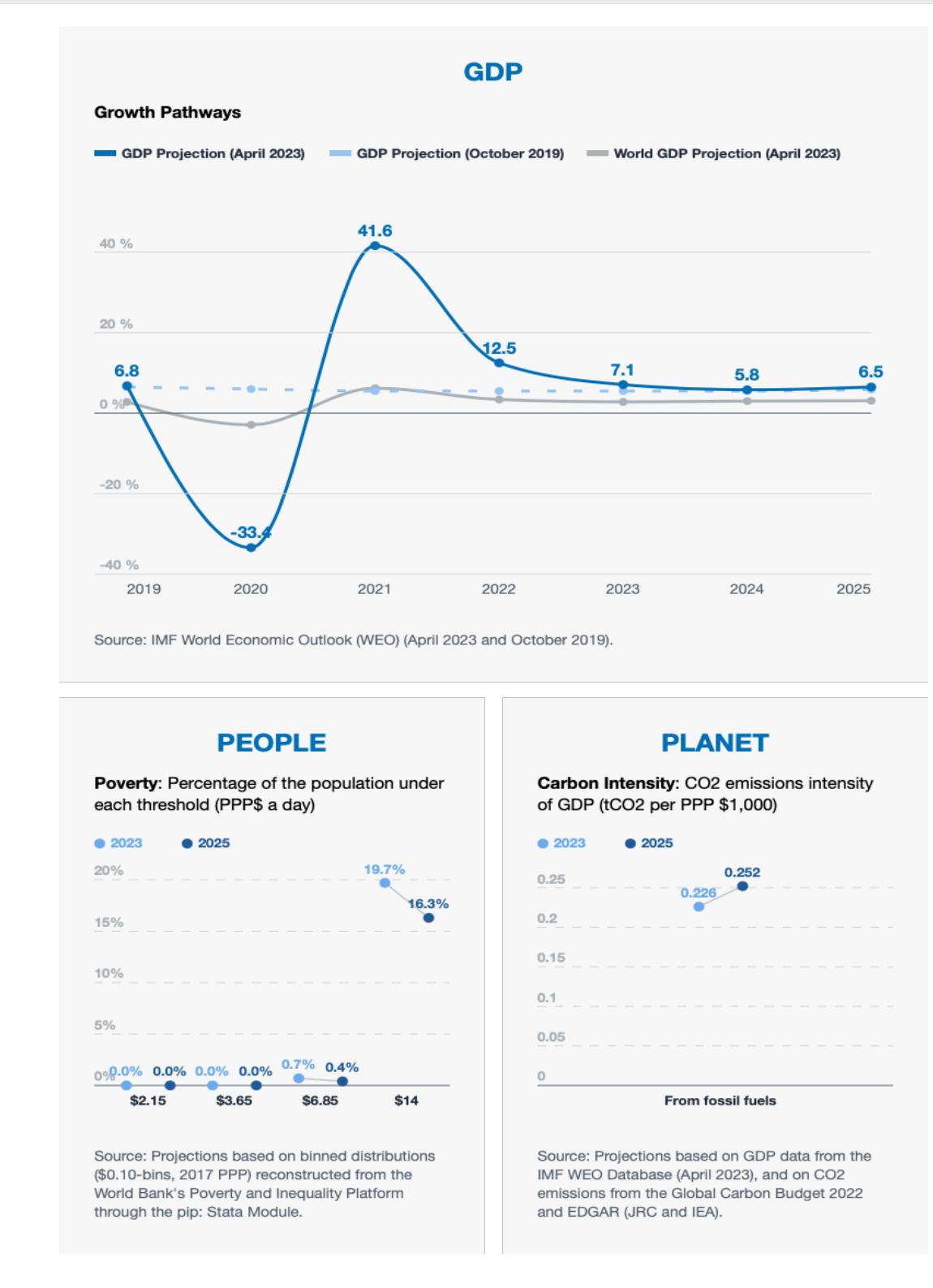
SDG MOMENT: MALDIVES

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Maldives' growth trajectory during 2023-2025 is positive with real growth maintained above 5%, twice the projected global figure and aligned to the country's growth trajectory forecast before the pandemic. Accordingly, Maldives' commitments to achieving the SDGs are focused on increasing people's well-being, on climate action and on fostering sustainable cities and communities.

This pace of growth is expected to take the incidence of poverty at \$6.85 a day to almost zero percent. The multidimensional poverty for the country is reported at 0.8% of the population, although a further 4.8% of people are shown to be vulnerable to multidimensional poverty.

The Maldives' growth has typically relied on carbon-intensive energy sources. Although the Maldives' share of global GHG emissions is small at 0.01%, the country has made conditional Nationally Determined Contributions commitments, such as reducing emissions by 26%, achieving net zero by 2030, and making policy pledges to take a phased approach to revise its fuel subsidies regime. This is expected to bring major changes to the energy policy and to steer the economy towards clean growth creating greener jobs in the long-run.



SDG TRENDS

Understanding how the Maldives performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

The Maldives' national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Maldives Population and Housing Census 2022
2. Maldives Integrated National Financing Framework
3. Update of Nationally Determined Contribution of Maldives
4. Strategy Action Plan 2019-2023
5. Maldives Government Budget 2023
6. Maldives SDG Roadmap
7. Mapping of the Strategic Action Plan (2019-2023) of the Maldives with the Sustainable Development Goals
8. Country Programme Document for Maldives (2022-2026)
9. United Nations Sustainable Development Cooperation Framework 2022-2026
10. Voluntary National Review (VNR) 2023 Maldives

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help the Maldives to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs in the Maldives. These have been highlighted in the Maldives's policy documents like the VNR (2023), SDG Roadmap (2022) and the Integrated National Financing Framework (2023). The specific targets under these priority goals, their synergies and trade-offs with other targets are presented in subsequent slides.

- **SDG 5: Gender equality** (Specifically Target 5.5: Women's full and effective participation and equal opportunities for leadership)
- **SDG 8: Decent work and economic growth** (Specifically Target 8.3: Promote development-oriented policies that support productive activities)
- **SDG 11: Sustainable cities and communities** (Specifically Target 11.1: Ensure access for all to adequate, safe and affordable housing and basic services)
- **SDG 13: Climate action** (Specifically Target 13.1: Resilience and adaptive capacity to climate-related hazards and natural disasters)

The above SDG enablers emphasize the urgent need to take action against climate change, to mainstream gender considerations into national policymaking, to foster sustainable cities and communities and to create green growth and decent jobs in the new economy.

The following initiatives reflect these strategies: recent government programs and commitments to increase climate investments; the national gender equality strategy; policy actions to provide affordable housing; improving the connectivity of Maldives Islands; and boosting employment through entrepreneurship programs focused on SME growth.



ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

SDG INTERLINKAGES

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Gender equality is a strong underlying principle in the Maldives' approach towards social progress, entrepreneurship, climate resiliency and inclusive growth. Increasing the participation of women, particularly at all levels of decision-making, would have significant positive spillover effects for attaining the SDGs in the Maldives. The gender gaps that the Maldives needs to address are both social and political in nature. Data show that women occupy 5% of seats in the parliament and have a lower labour force participation rate compared to men (45.6% for women and 77.1% for men), particularly in the private sector [1]. The participation rate in the informal sector is higher for women with 44% compared to 36% for men, reflecting a greater need for specific strategies to transition from the informal to the formal sector [2].

Recognizing these obstacles, the Government has made significant promises towards gender equality, including the release of its national Gender Equality Action Plan (GEAP) in 2023. The President of the Maldives chairs the national steering committee operationalizing the GEAP that has set ambitious targets to change current scenarios (e.g. by 2026 60% of female labour force participation). In 2019, the Maldives also introduced gender quotas to allocate 33% of local council seats to women, significantly boosting the number of women councillors in the 2021 local council elections. In addition, the Maldives has recently endorsed its Gender-Responsive Climate Financing Strategy, which has also proposed budgetary reforms to track expenditure by SDGs to establish baseline investments going into priority SDGs (SDG 5 and 13), so that funding gaps can be identified.

Collectively, these measures are expected to have significant positive spillover effects for all SDGs. In particular, the improvements in women's participation in political discourse will increase gender considerations in critical financing decisions, improve entrepreneurship opportunities and create a level playing field for increasing women's participation in the labour force. The integration of gender considerations has been shown to benefit both climate mitigation and adaptation (Intergovernmental Panel on Climate Change, 2022), and the Maldives stands to benefit from a mainstreamed approach to gender-equality.

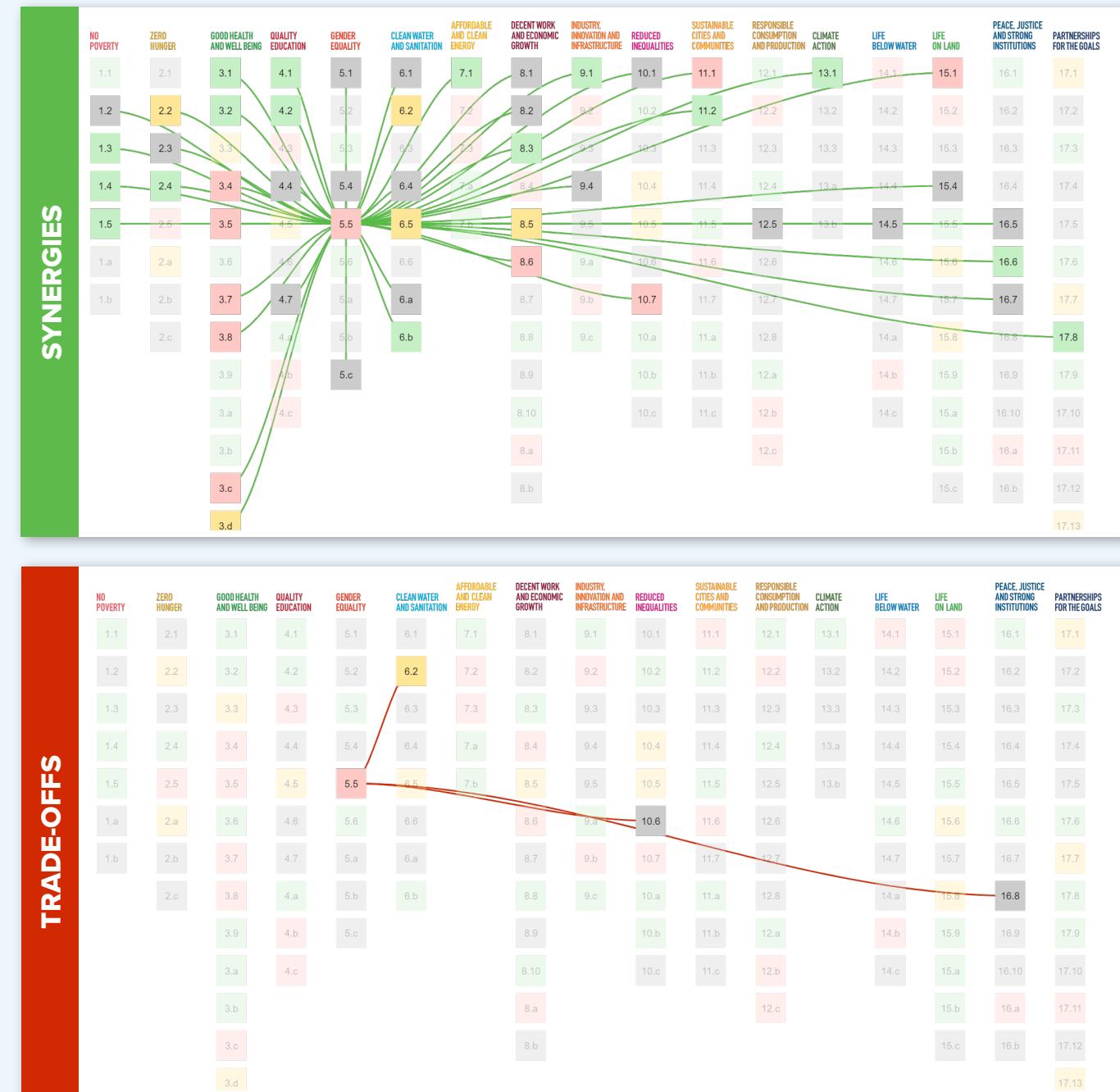
[1] and [2] Household Income and Expenditure Survey (2019), Maldives Bureau of Statistics – Labour Market Indicators

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MDV/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

The Maldives has embraced inclusive and sustainable growth as an important pillar in its national development, designating a blue economy approach for development in its Strategic Action Plan.

Development of sustainable fisheries and agriculture and transforming the national energy sector are essential industries for value generation and diversifying the economy away from tourism and closely linked sectors such as construction. This approach, coupled with improved vocational education and training (VET) for youths, is expected to have significant positive spillover effects into other SDGs (such as SDGs 1, 6, 7), as new investments are made in renewable energy and in building small-scale manufacturing capabilities in both fisheries and agricultural sectors. These policies are expected to significantly boost small and medium-sized enterprises (SMEs) across the country as sectoral strategies highlight the importance of private sector to augment the investments of public sector investment programmes (such as private-public partnerships, SME loans).

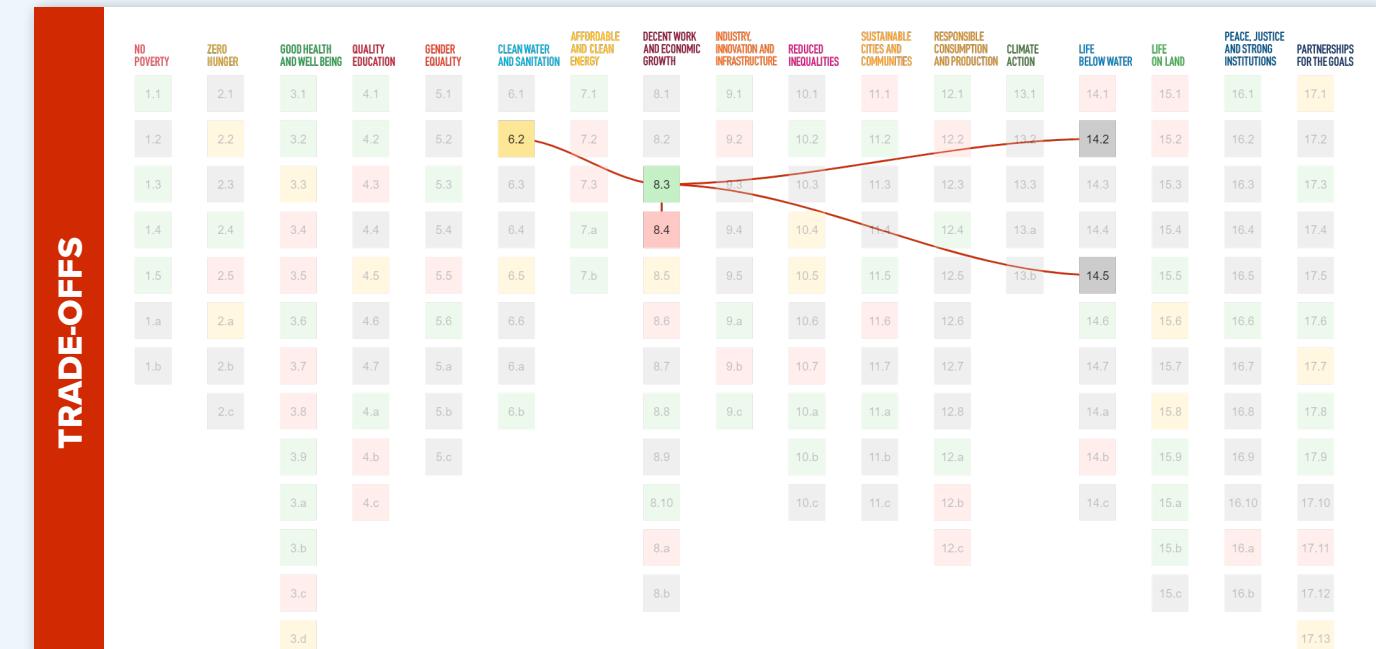
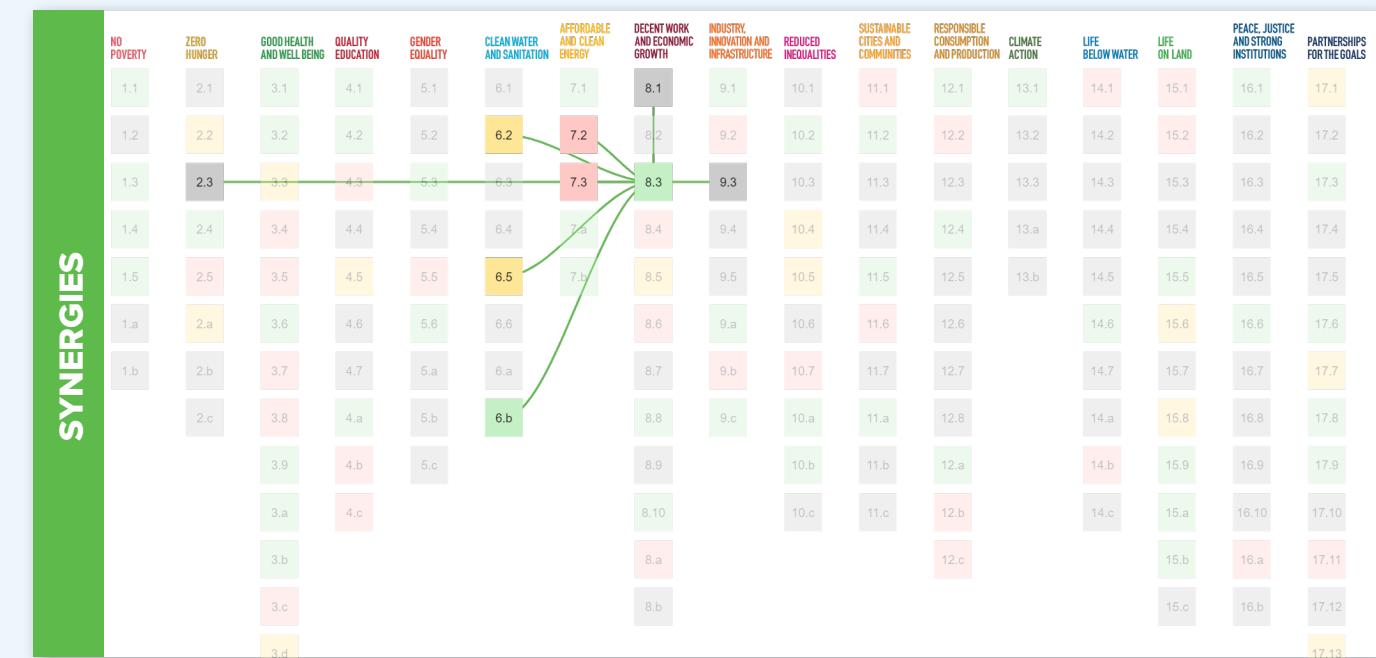
To develop the SME sector, the Maldives has passed its National SME Act, which provides the overarching policy environment, and established two priority institutions charged with fostering SME growth: (1) the Business Center Corporation which provides SME mentorship programmes and common investments; and (2) a national SME Finance Development Corporation to provide concessional loans for SMEs. This policy environment and additional financing is expected to play a significant role in facilitating the Maldives' diversification plans over the next decade. However, moving forward, the targeting of national entrepreneurship policies on youth empowerment with vocational education, the facilitation of public and private networking and adopting effective policies for fostering green and inclusive practices by the SMEs will further strengthen the role of the private sector in national development.

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SDG INTERLINKAGES

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services.

The Maldives has experienced a period of rapid urbanization for decades following the introduction of tourism, and the growth that followed it. The 2023 Census shows that 41% of the population of the Maldives lives in the capital region. According to the 2016/19 Household Income and Expenditure Survey (HIES), 74% of households living in the capital city rented their homes in 2019.

Although urbanization has slowed in recent years, it has resulted in a housing shortage in the region and in a rise in demand for critical services such as health care and education. The Maldives, as a Small Island Developing State (SIDS), faces land scarcity, and its geographical dispersion makes quality and cost-effective service delivery difficult.

The Maldivian Government in recent years has heavily invested in large-scale public housing programmes and on improving the connectivity of the Maldives. This is expected to create positive spillover effects in health, education and sustainable water and sanitation management (SDG 3, 4 and 6) as the investments in modern dwellings, facilities and transportation networks are expected to facilitate easier movement of people, goods and services between remote communities and major urban sectors and attract private investments to provide services, such as investments in tertiary hospitals, international schools, regional research and innovation hubs across the country.

Such investment will also push increased resource-use efficiency and the greater adoption of clean and environmentally sound technologies and industrial processes (SDG 9.4).

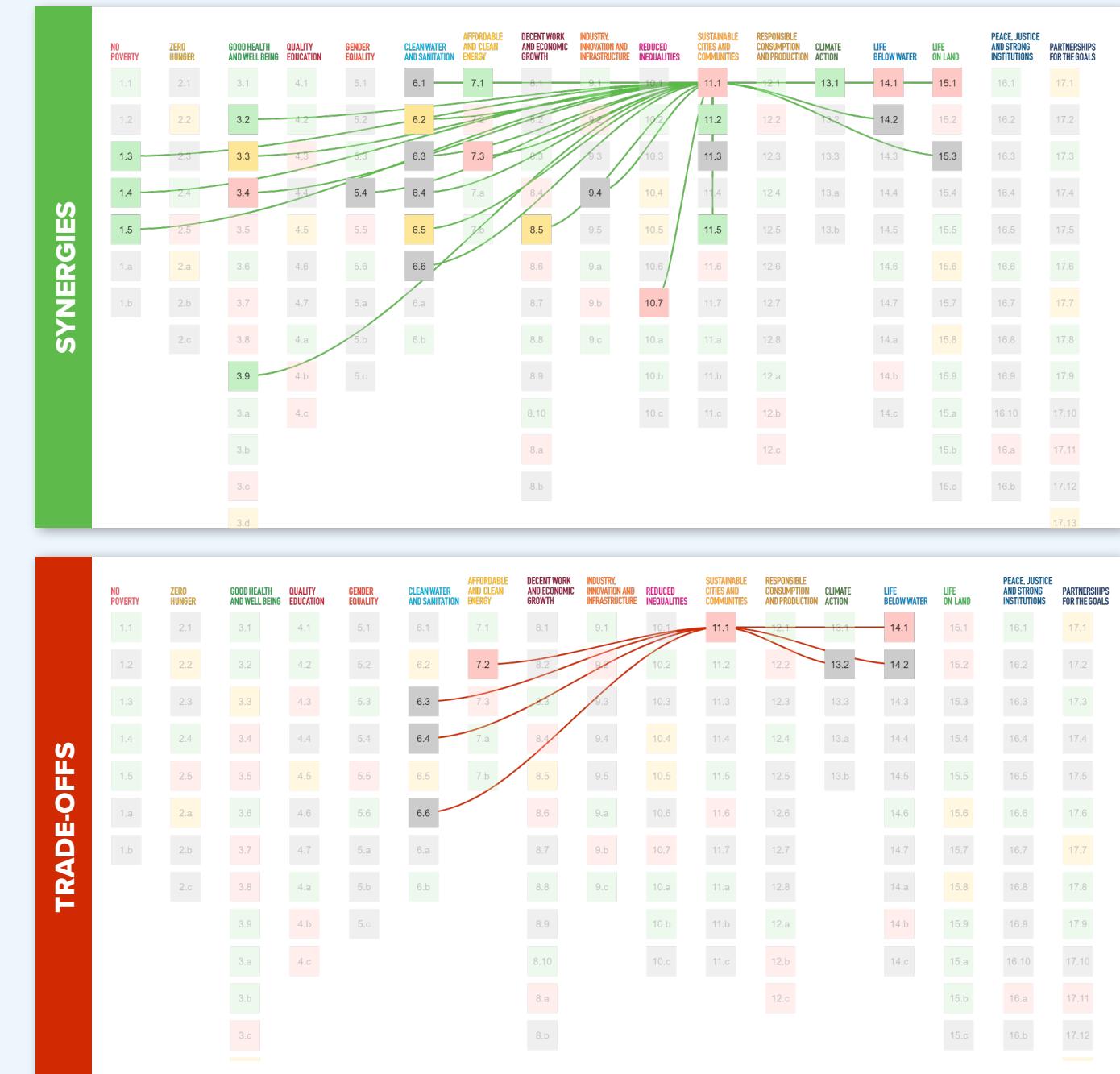
A flagship programme ("Raajje Transport Link – RTL") to connect the entire country through a network of high-speed ferries is already underway, which will bring small communities closer to major population centres and ease access to essential services. Continuing the momentum of investments in housing, health care, education and transport connectivity can further improve the quality and cost-effectiveness of public services, and ensure that remote and vulnerable communities are not left behind.

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Explore the interlinkages at:

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SDG INTERLINKAGES

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Climate Action has been at the forefront of the Maldives' development strategy, given its climate vulnerability. Changing climate patterns and extreme weather events are expected to affect traditional sectors such as tourism, posing a threat to the country's continued fast pace of development. It is estimated that over 70% of the Maldives' critical infrastructure is within 100 metres of its shorelines [1]. The Asian Development Bank (ADB) [2] predicts that economic damages from climate change for the Maldives could reach 2.3% of GDP by 2050.

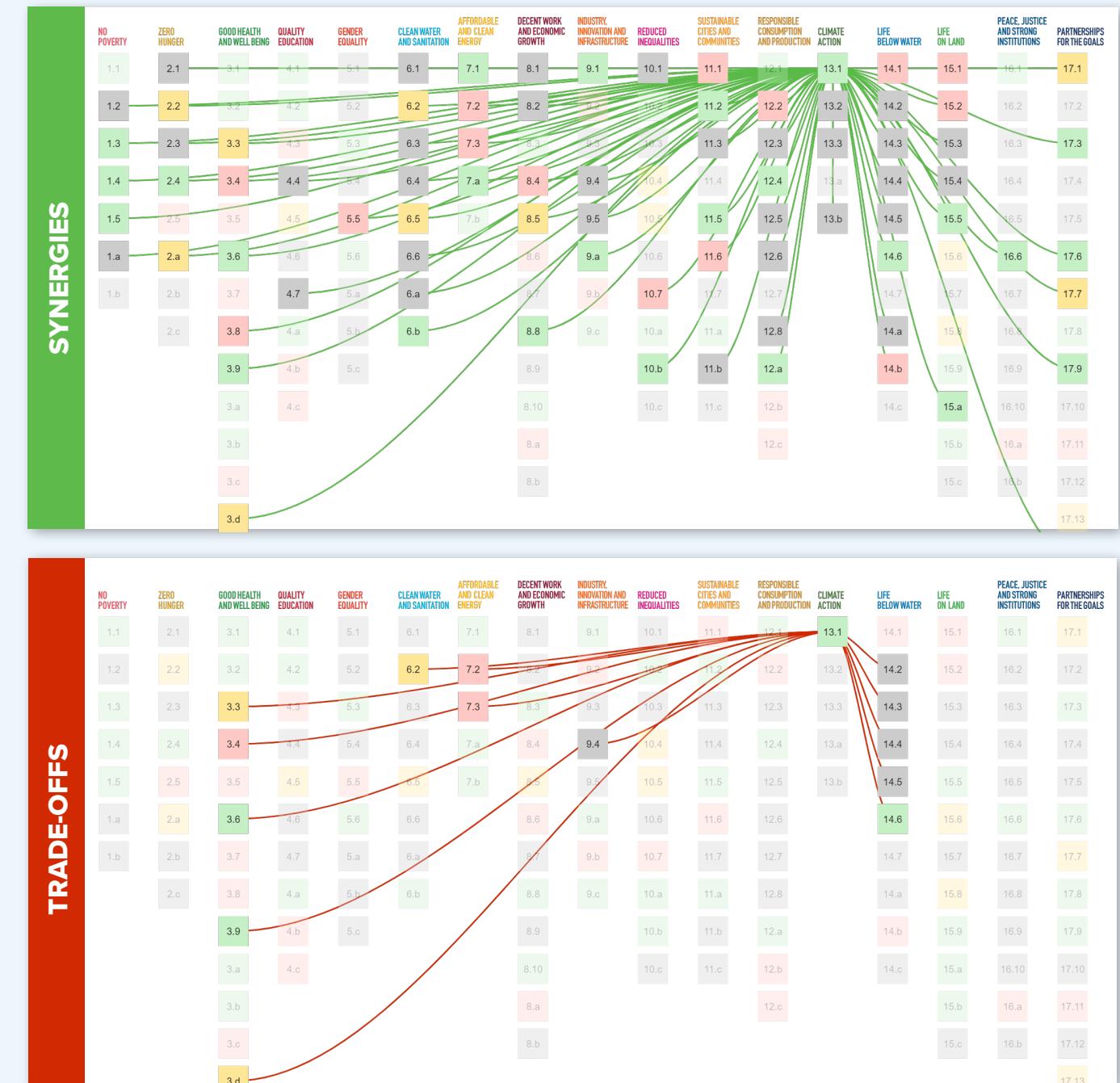
Investments in climate action will have strong positive spillover effects on virtually all SDGs for the Maldives. Building mitigation measures will ensure critical infrastructure, such as public dwellings, telecommunication structures and transportation networks, remain resilient to climate change, allowing economic mainstays to continue. The Maldives will also need to build its adaptive capacities, such as building safer islands. Recent research [3] suggests that building higher islands could help safeguard against long-term risks from sea-level rise and storms.

The Maldives' Integrated National Financing Framework Climate Finance Strategy estimates that the country will require \$400 - \$800 million per annum until 2030, to shore-up its climate defences. The country faces significant challenges in leveraging climate finance given current limitations in international borrowing and internal budgetary constraints. However, greater alignment of domestic capital markets towards sustainable investments and policy changes to attract climate-smart investments, particularly for experimental technologies, could help additional resource mobilization for the Maldives.

The Government has been making notable policy changes to position the Maldives as a destination for experimental technologies, such as introducing special regulations for floating cities. Building momentum on this policy shift and additional reforms towards sustainable finance will help the Maldives protect its economic base and catalyse new industries in the decades to come.

[1] UNDP Climate Adaptation, <https://www.adaptation-undp.org/projects/ldcf-resilient-island-planning-Maldives>; [2] Maldives Climate Risk profile ADB-World Bank 2021, P-7; [3] Building higher islands could save the Maldives from sea-level rise, University of East Anglia (2023)

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FUTURES SCENARIOS

Achieving the SDGs is possible.

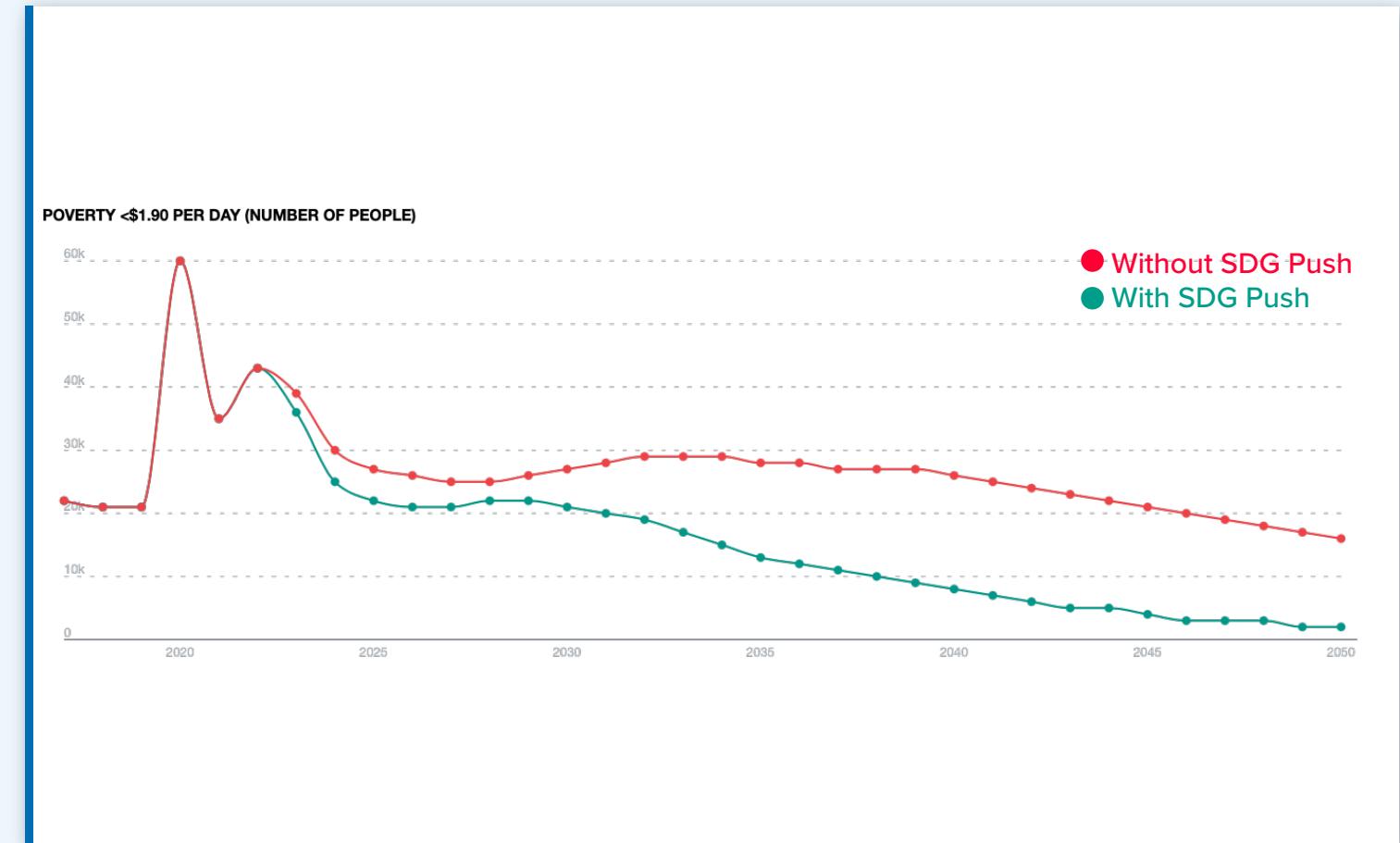
The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators, extrapolating the latest economic growth trends and assuming a reduction in inequalities across time.

Incorporating ‘SDG Push’ accelerators into development interventions in the Maldives can reduce the number of people living in poverty over time.

The results behind the model [1] are mainly driven by the reallocation of public spending to the target areas (social protection, green economy and digital disruption). In the SDG push scenario, the increased revenue from other interventions significantly frees up the fiscal space of these interventions, but benefits take time to materialize.

People living in poverty	By 2030	By 2050
Without the SDG Push	27,000	16,000
With the SDG Push	21,000	2,000

[1] Results based on integrated assessment model used in UNDP's flagship "International Futures" study



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/MDV/future-scenarios>

FINANCE & STIMULUS

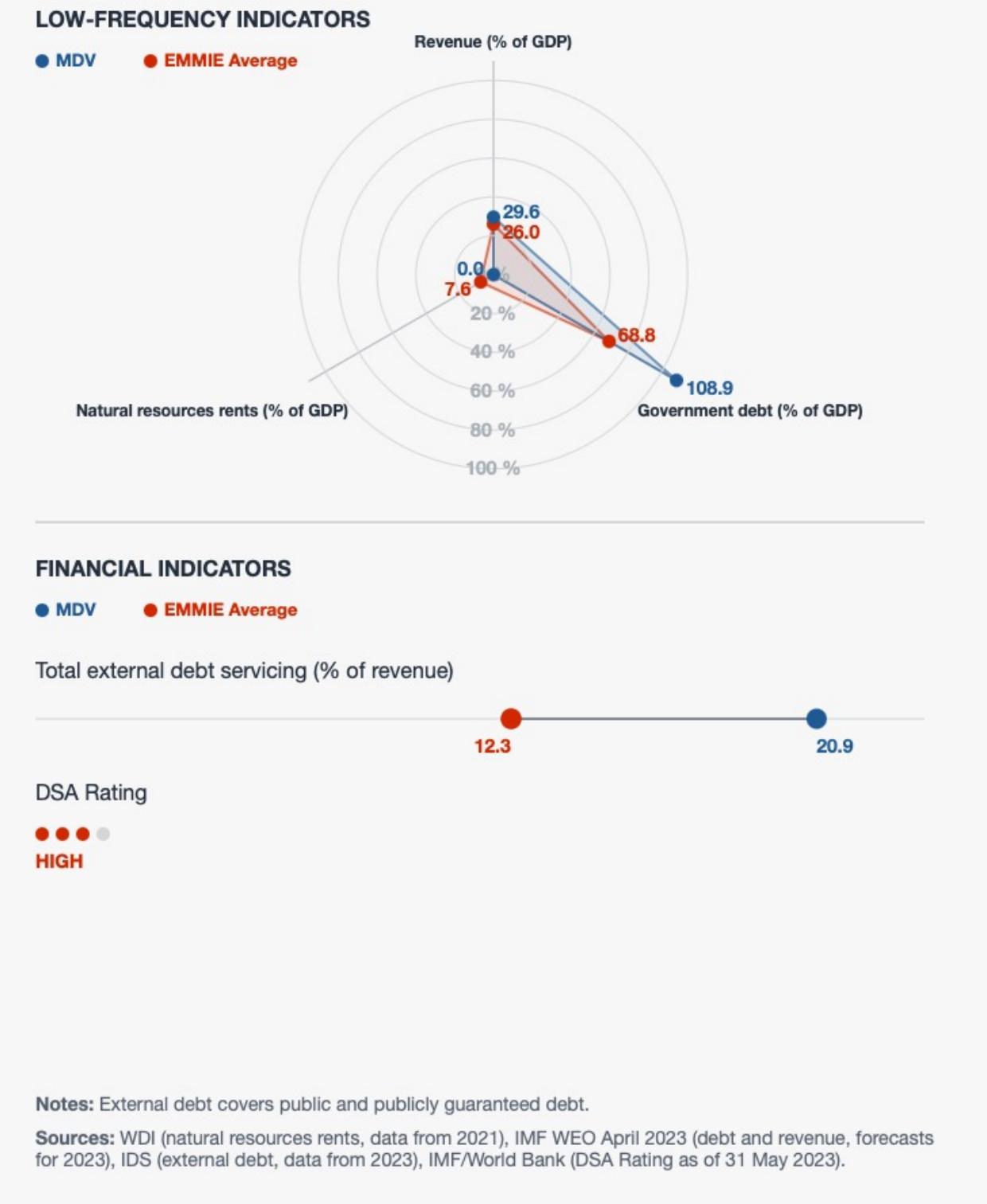
Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue, debt and natural resources rents as a proportion of GDP. The financial indicator graphs show external debt servicing relative to revenue and the country's latest Debt Sustainability Assessment risk rating.

The Maldives' Public and Publicly Guaranteed debt is expected to stand at 114.7% of GDP by the end of 2023 [1], which will be more than 1.5 times the emerging market and middle-income economies (EMMIE) average of 68.8%. The country is expected to collect 29.6% of GDP in revenue this year, thus 3.6 percentage points above the average EMMIE country with 26%.

The Maldives' external debt servicing relative to revenue is expected to be as high as 20.9% this year, which is 1.7 times the EMMIE group's 12.3%. The country would require a strong refinancing plan and long-term debt sustainability planning to alleviate its short- to medium-term fiscal constraints.

[1] Maldives Ministry of Finance, Fiscal Strategy Document 2023 – 2025.



SDG STIMULUS

The [UN Secretary General's SDG Stimulus Plan](#) lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

The Maldives became the first SIDS to formally endorse a climate financing strategy, which was developed under the UN INFF methodology. The financing strategy has 16 funding objectives and over 100 action points to be delivered by various agencies. Guided by the strategy, below are some mechanisms identified in the SDG Stimulus, selected as relevant to the Maldives:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance

**United Nations
Secretary-General's
SDG Stimulus
to Deliver
Agenda 2030**

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).