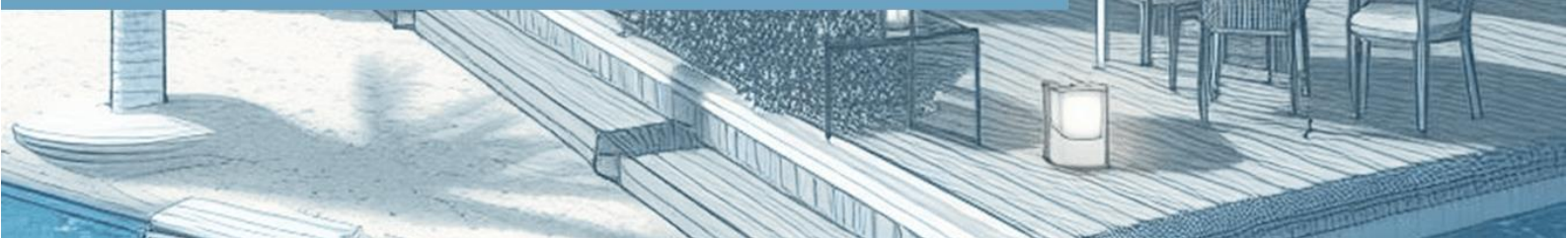




# TOURISM PRACTICES IN LAAMU ATOLL

## *Baseline Assessment Report*



Baseline Report on Tourism Development Practices in Laamu Atoll *Prepared by Enhancing National Development through Environmentally Resilient Islands (ENDhERI) Project for the Ministry of Tourism and Environment.*

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## List of Abbreviations

ENDHERI	Enhancing National Development through Environmentally Resilient Islands
EPA	Environmental Protection Agency
FTAs	Free Trade Agreements
GEF	Green Climate Fund
GDP	Gross Domestic Product
LUP	Land Use Plan
ICPT	International Code for the Protection of Tourists (ICPT)
MCCEE	Ministry of Climate Change, Environment and Energy, reclassified as Ministry of Tourism and Environment, effective from 01/02/2025
MoT	Ministry of Tourism, reclassified as Ministry of Tourism and Environment, effective from 01/02/2025
MoTE	Ministry of Tourism and Environment
MUI	Maldives Under Water Initiative
MPA	Marine Protected Area
MMPRC	Maldives Marketing & Public Relations Corporation
MCAA	Maldives Civil Aviation Authority
MNCCI	Maldives National Chamber of Commerce and Industry
NC	Natural Capital
NGO	Non-governmental Organization
NAPA	National Adaptation Programme of Action
SIDS	Small Islands Developing States
SMEs	Small and Medium-sized Enterprises
UNEP	United Nations Environment Programme
WDC	Women's Development Committee

## Executive Summary

Tourism serves as the cornerstone of the Maldivian economy, driving growth, foreign exchange earnings, and employment. However, Laamu Atoll remains significantly underdeveloped in this sector, with just two operational resorts and a handful of guesthouses. Despite its pristine ecosystems—including mangroves, seagrass meadows, and coral reefs, tourism in Laamu Atoll contributes minimally to local livelihoods. Challenges such as limited infrastructure, high travel costs, weak inter-island connectivity, fragmented stakeholder collaboration, and insufficient policy implementation exacerbate this underdevelopment, leaving much of the atoll's potential untapped.

This baseline assessment provides a comprehensive analysis of current tourism development practices in Laamu Atoll, identifying key challenges, gaps, and opportunities for fostering sustainable and inclusive growth. Conducted by Epoch Associates as part of the "Enhancing National Development through Environmentally Resilient Islands" (ENDhERI) project, the study aligns with the broader goal of enhancing reef ecosystem integrity, minimizing environmental impacts, and promoting sustainable tourism practices. The findings serve as a foundation for guiding strategic interventions aimed at transforming tourism in Laamu Atoll into a model of environmentally and socially responsible development.

The challenges in Laamu Atoll are multifaceted. Accessibility is a major issue, with only one domestic airport and limited transportation options, making the region expensive and inconvenient for tourists and investors. The geographical isolation also hampers the integration of local communities into the tourism value chain. The absence of effective collaboration among stakeholders—local councils, resort operators, and government bodies—further fragments efforts to develop the sector. Additionally, the lack of training programs and capacity-building initiatives leaves local residents ill-equipped to take advantage of tourism-related opportunities, limiting their participation benefits from the industry.

To address these issues and unlock Laamu Atoll's potential, the report offers several recommendations. First, existing tourism facilities, especially guesthouses, should adopt sustainable practices modelled on successful initiatives by Six Senses Laamu. Furthermore, capacity-building programs should be introduced to train local residents in hospitality, eco-tourism, and sustainable construction practices, enabling them to participate actively in the tourism sector. Strengthening policies and regulatory frameworks to promote sustainability, equitable resource sharing, and community engagement will ensure that tourism development benefits the atoll holistically. Collaborative initiatives among stakeholders should also be fostered to address shared challenges, such as marketing Laamu as a sustainable tourism destination and integrating local products and experiences into the tourism supply chain.

This baseline assessment serves as a critical reference point for prioritizing activities under the ENDhERI project, providing a roadmap to address key challenges and capitalize on existing opportunities in Laamu Atoll. By promoting sustainable practices in tourism and fostering stronger community involvement, the project has the potential to transform Laamu into a model for environmentally and socially responsible tourism. The insights and recommendations outlined in this report can guide efforts to integrate sustainability into tourism practices in Laamu, creating a blueprint for balanced development that can be scaled and replicated across the Maldives, ensuring long-term resilience and equitable growth for local communities.

# 1. Introduction

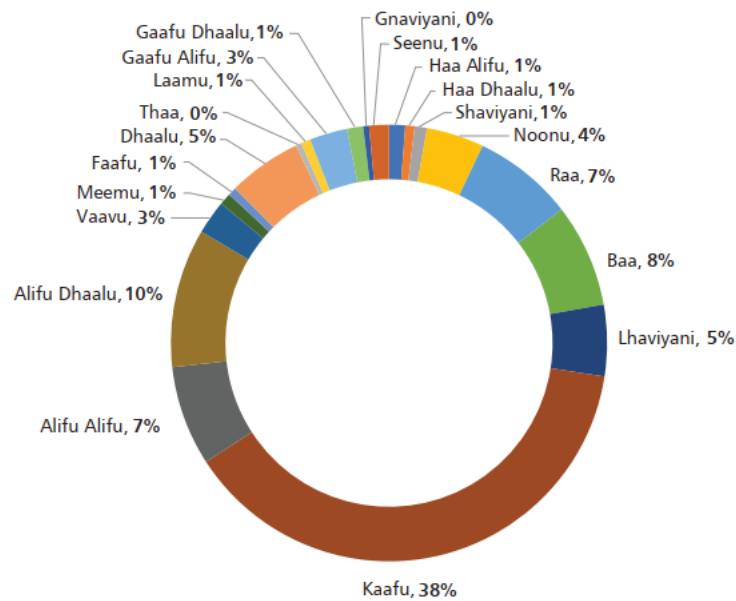
## 1.1. Background

Tourism serves as the backbone of the Maldivian economy, shaping the nation's development trajectory and defining its global identity. Since the establishment of the first resort in 1972, tourism has grown exponentially, becoming the largest contributor to the nation's Gross Domestic Product (GDP) and foreign exchange earnings. The sector not only generates significant government revenue through taxes and lease fees but also drives growth in ancillary industries, including construction, transportation, and fisheries. Additionally, it is a vital source of employment, directly and indirectly supporting a significant portion of the population.

The economic impact of tourism extends beyond its immediate contributions. It has spurred the development of critical infrastructure, such as airports, harbours, and telecommunications, many of which benefit local communities alongside tourists. However, this reliance on tourism also exposes the Maldives to economic vulnerabilities, as global travel trends, economic downturns, or environmental events can significantly impact the sector. While tourism has brought prosperity, its benefits are not evenly distributed across all atolls, with many islands yet to fully realize their potential in the industry.

The *Tourism Climate Action Plan* provides a roadmap for addressing climate change and ensuring sustainability in the tourism sector, which contributes 28% of the nation's GDP (Maldives Tourism Climate Strategic Pathways for Climate Resiliency in Tourism Action Plan, 2024). Recognizing the Maldives' vulnerability to rising sea levels, the plan emphasizes community-centric tourism, ecosystem restoration, and economic diversification to foster resilience and minimize environmental impacts. It outlines five strategic objectives and ten business-focused climate action investments, including protecting coral reefs and mangroves, improving waste management, and transitioning to renewable energy. Collaboration among stakeholders, including local communities and businesses, is central to achieving these goals. The plan offers valuable guidance for integrating climate resilience into tourism, particularly in regions like Laamu Atoll, by promoting sustainable practices and local conservation efforts.

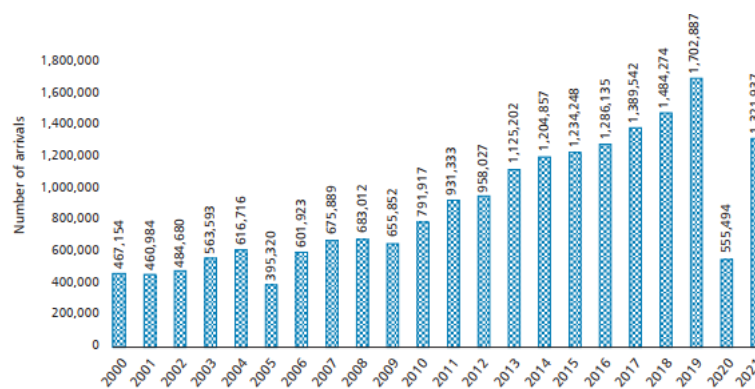
Figure 1-1 highlights the regional distribution of tourism facilities across the Maldives, with Kaafu Atoll leading due to its proximity to Velana International Airport and the capital. Atolls closer to the capital such as Alifu Alifu, Alifu Dhaalu and Baa also hold significant shares, driven by luxury and eco-tourism. Emerging areas include Raa and Lhaviyani, while atolls such as Laamu, Thaa, and Faafu each account for just 1%, reflecting underdeveloped tourism potential. This distribution emphasizes the centralization of tourism in key regions and highlights opportunities for expanding tourism development in less-developed atolls ("Maldives Fifth Tourism Master Plan 2023- 2027," 2023).



Source: Ministry of Tourism.

**Figure 1-1: Regional Distribution of Tourist Accommodation in Maldives, 2022**

The *Maldives Fifth Tourism Master Plan (2023–2027)* provides a comprehensive strategy for advancing sustainable tourism in the Maldives, addressing challenges that arose during the COVID-19 pandemic which resulted in a 67% decline in tourist arrivals in 2020 compared to 2019 (Figure 1-2). It underscores the pivotal role of tourism in the national economy, focusing on rebuilding the sector, enhancing visitor experiences, and ensuring positive environmental and social impacts to surpass the pre COVID-19 tourist arrival numbers. Sustainability serves as a cornerstone of this strategic framework, aiming to protect the Maldives’ unique ecosystems while fostering economic growth. The plan includes actionable measures to strengthen climate resilience, transition to renewable energy, and improve waste management systems. The insights and strategies outlined in the master plan can play a crucial role in shaping policies and initiatives for sustainable tourism across the Maldives.



Source: Ministry of Tourism.

**Figure 1-2: Tourist Arrivals to Maldives, 2000–2021**



This Baseline Assessment on Tourism Development Practices in Laamu Atoll was conducted by Epoch Associates (Epoch) for the consultancy services for Sustainable Development for Tourism Development and Construction Practices in Laamu Atoll. The project client, formerly known as the Ministry of Climate Change, Environment and Energy (MCCEE), was reclassified and will be referred to as Ministry of Tourism and Environment (MoTE) effective from February 1, 2025. The project is financed by Global Environment Facility (GEF) and assisted by United Nations Environment Program (UNEP) under the Enhancing National Development through Environmentally Resilient Islands (ENDhERI) project. The main objective of the ENDhERI project is to enhance reef ecosystem integrity and resilience through sustainable management, reducing development impacts in a selected projects site the Maldives, enabled for replication nationally through public awareness and integrating the values of marine biodiversity and other natural capital accounting into national planning.

## 2. Aim and Objective

This project aims to support the Maldivian government in implementing new environmental policies and transitioning toward the nationwide adoption of Green Growth atoll development. The initiative seeks to sustain marine natural capital (NC) and enhance the resilience and recovery of reef ecosystems. It will draw insights from atoll-wide integrated coastal zone management within the framework of a Managed Marine Area or Biosphere Reserve. Additionally, the project will promote innovative sustainability practices and standards in agriculture, fisheries, tourism, and construction sectors, aiming to transform the human ecological footprint in Laamu Atoll. These approaches will be scaled up to the national level through sectoral transformation, spatial planning, and improved governance grounded in NC accounting.

This main outcome of this assignment is to establish a baseline of the current tourism related practices in Laamu Atoll through stakeholder consultations and community engagement. The findings from the baseline assignment will be used as a reference to develop and implement sustainable best practices in the sector through policies, standards, codes and regulatory guidance. This report contains the details of the status related to tourism businesses, existing tourist facilities, future plans by the authorities for the sector, challenges faced and recommendations for the future. This report is based on qualitative data from stakeholder consultations, existing publications and relevant literature. This report serves as a foundational reference for policymakers, stakeholders, and development partners to design strategies and initiatives that ensure balanced, inclusive, and environmentally resilient tourism development in Laamu Atoll.

The main objectives of this assessment are:

- Document and evaluate existing tourism activities, infrastructure, and sustainability measures in Laamu Atoll.
- Highlight barriers to sustainable tourism development, including environmental, social, and economic factors.
- Assess skill gaps in the local population and authorities to enable a shift toward sustainable tourism practices.
- Offer actionable steps to promote sustainable and inclusive tourism while addressing identified challenges.
- Align findings with Maldivian government initiatives on green growth, climate resilience, and sustainable resource management.

### 3. Scope and Study Area

The scope of this assignment is to establish a baseline of the status of tourism related activities in the 11 inhabited islands of Laamu Atoll and the two resorts that are currently in operation in the atoll. A map of the study area is presented in Figure 3-1.

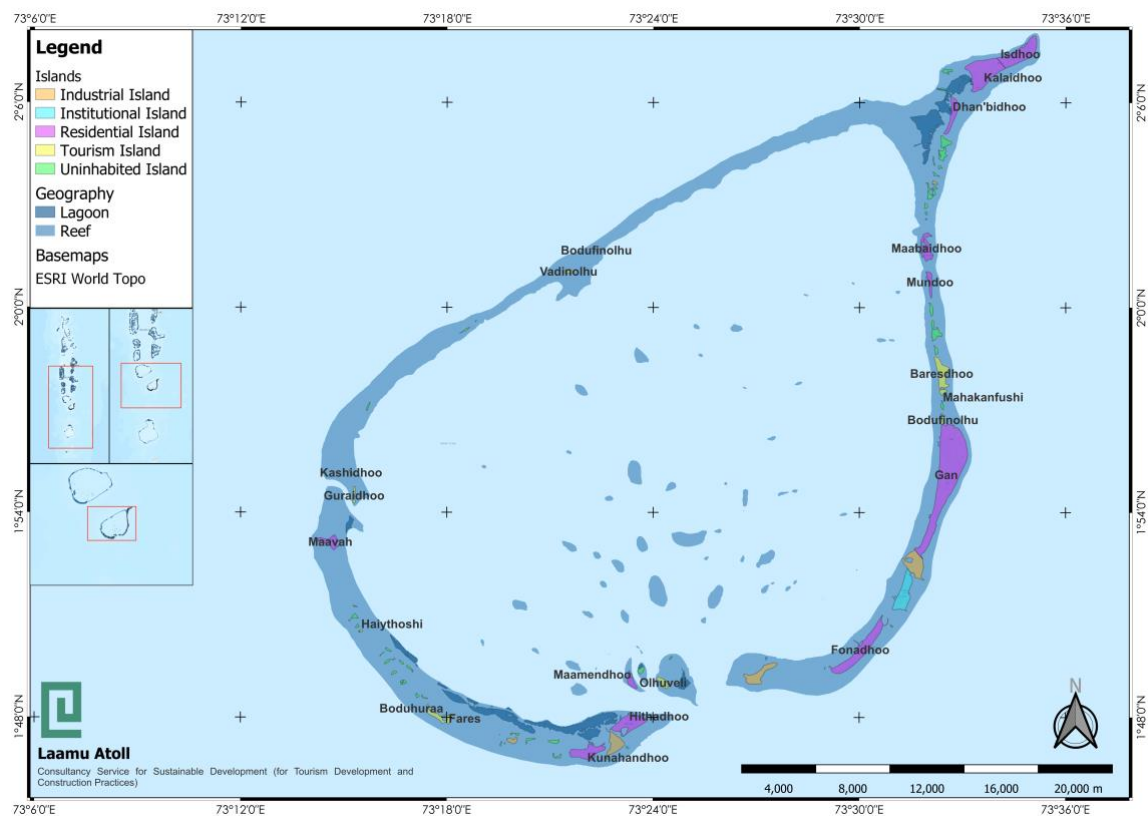


Figure 3-1: Map of Laamu Atoll with Inhabited Islands and Islands for Resort Development

## 4. Methodology

This baseline report on the tourism practices in Laamu Atoll is prepared by reviewing the existing literature, publicly available statistical data from relevant authorities and qualitative data from various stakeholder engagements and community consultations with island councils, local community groups, island councils and local businesses.

**Literature review:** The published literature was mainly analysed for the general tourism practices with the main focus on existing sustainability measure taken by the tourism industry to promote tourism with relevant insights to understanding the challenges and strategies for sustainable tourism and climate resilience in the Maldives and other small island developing states (SIDS). The literature encompasses of journal articles, published reports and documents by the government and statistical data along with ENDHERI publications on studies that have been conducted in Laamu Atoll. Additionally, a desk study was done on the sustainable tourism practices conducted by Six Senses Laamu, one of the two resorts that are currently operating in Laamu Atoll.

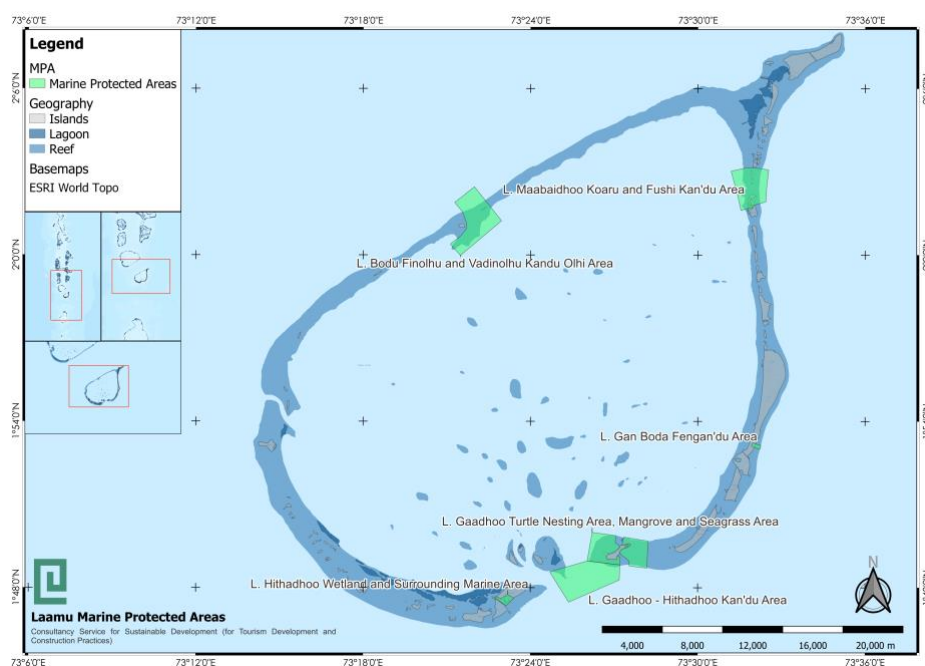
**Qualitative data:** The qualitative data on the current practices and general tourism related guidelines and activities was collected through stakeholder consultations with government authorities and relevant institutions. Further information was gathered specific to Laamu Atoll by conducting consultation meetings with islands councils, civil society groups, Non-government Organizations (NGOs) Women's Development Committees (WDCs) and existing businesses.

## 5. Background to Tourism in Laamu Atoll

Laamu atoll features a diverse and pristine ecosystem, with minimal human impact on its coastal environments, making it stand out from most other atolls in the Maldives. The atoll consists of 72 islands of which 11 are inhabited with a resident population of 14,699 as of 2022 (Maldives Bureau of Statistics, n.d.). The inhabited islands are Maavah, Kunahandhoo, Hithadhoo, Maamendhoo, Fonadhoo, Gan, Mundoo, Maabaidhoo, Dhanbidhoo and Isdhoo and Kalaidhoo with Fonadhoo being the administrative capital of the Atoll. There is a domestic airport in Kadhdhoo which is interconnected by a link-road with Maandhoo, Gan and Fonadhoo making up the largest single land area for an island in the Maldives. Despite the atoll having 56 reefs with an area of 203.70 km<sup>2</sup> (Baseline Report on Agricultural Practices in Laamu Atoll, 2023) there are only just two operational resorts to date which suggests untapped potential for resort developments.

The main source of income for the residents of most of the islands in the atoll is from public service with agriculture being the main economic activity in islands such as Gan, Isdhoo and Kalaidhoo. Post Covid -19 analysis of the fisheries industry from 2017 to 2023 shows a 50% decrease in the number of total active fisherman with fisheries being a main source of income for Hithadhoo, Maibaidhoo and Maamendhoo (Baseline Report on Fisheries Practices in Laamu Atoll, 2024).

Laamu Atoll is home to ecologically significant habitats such as mangrove forests and has a diverse marine ecosystem. Seagrass forests in the atoll can be found in Hithadhoo, Gan, Maavah and Maibaidhoo which has become an attraction for both locals visitors and tourists. Additionally, the atoll is also home to several types of rare seagrass meadows which was identified in the recent study done by the Maldives Underwater Initiative (MUI) at Six Sense Laamu (Roe MUI Head Marine, n.d.). To support development through better management and decision-making for key biodiversity habitats, MCCEE and EPA has designated six areas of Laamu Atoll as protected under the Environmental Protection and Preservation Act 4/93 on December 23, 2021. A map of Laamu Atoll indicating the marine protected areas as per "Protected Areas of Maldives V4.2" published by Environmental Protection Agency (EPA) ("Environmental Protection Agency," n.d.) is presented in Figure 5-1.





**Figure 5-1: Map of Marine Protected Areas in Laamu Atoll**

Although Laamu Atoll has the land, lagoon area and the natural flora and fauna for tourism activities to flourish there is limited tourism related activities and the sector does not contribute significantly to the livelihoods of the local community. With the amendment to tourism regulations in 2009 allowing tourists to stay at locally owned accommodations such as guesthouses and city hotels islands closer to the capital city thrived over the past decade. However, there are very limited businesses registered with Ministry of Tourism (MoT) and currently in operation for Laamu Atoll.

There are currently seven new tourist facilities under development in Laamu Atoll as per the MoT website Table 5-1 ("Ministry of Tourism," n.d.) and three more islands/lagoons have been announced for leasing under the regulation "Islands and lagoons to be leased for tourism purposes under Regulation Number: R-69/2016" through open bidding Table 5-2.

**Table 5-1: Tourist Facilities Under Development in Laamu Atoll (Source: Ministry of Tourism)**

#	Facility Type	Atoll	Island
1	Hotel & Guesthouse plots	Laamu	Baresdhoo
2	Resort Development	Laamu	Bodufinolhu & Gasgandufinolhu
3	Resort Development	Laamu	Boduhuraa and small islands and Kudafares
4	Training Facility Development	Laamu	Gan
5	Medical Resort Development	Laamu	Gan Medical Resort
6	Luxury Villa	Laamu	Guraidhoo
7	Resort Development	Laamu	Vadinolhu

**Table 5-2: Islands and lagoons to be leased in Laamu Atoll for tourism purposes (Source: Ministry of Tourism)**

#	Atoll	Name/Coordinates	Size (Hecters)
1	Laamu	Kashidhoo	3.11
2	Laamu	Bodumungnafushi	3.14
3	Laamu	Hanhushi	2.81

# 6. Institutional, Legal Framework, Plans and Policies of Tourism Activities

## 6.1 Institutional Framework for Tourism in the Maldives

The Ministry of Tourism is the primary government agency responsible for regulating, promoting, and overseeing tourism in the Maldives. Its key responsibilities include developing tourism strategies, formulating national policies, promoting the Maldives internationally as a premier tourist destination, and ensuring high-quality service standards across resorts, guesthouses, liveaboards, and hotels. The Maldives Marketing & Public Relations Corporation (MMPRC) spearheads the country’s tourism marketing through a comprehensive strategy targeting global markets. It organizes travel trade shows, roadshows, familiarization trips, brand campaigns, and digital marketing initiatives. MMPRC also collaborates with stakeholders through joint marketing campaigns and appoints trade representatives across 15 key international markets.

The Maldives Civil Aviation Authority (MCAA) ensures safe and efficient air transport connectivity critical for tourism, given the Maldives' island geography. It regulates aviation safety and ensures the country’s airports meet international standards to support tourism-related traffic.

Environmental agencies such as the Environmental Protection Agency (EPA) and MoT regulate tourism's environmental impact, preserving the Maldives’ fragile ecosystems. These agencies enforce regulations on waste management, water use, and conservation while monitoring the impact of tourism on coral reefs, marine life, and coastal areas. Under the Environment Preservation Act (4/93), EPA oversees biodiversity conservation, pollution prevention, and municipal water and sewerage services.

The National Chamber of Commerce and Industry (MNCCI) supports tourism by advocating for the business interests of tourism-related stakeholders. It promotes policies favourable to business growth and represents industry-related businesses in national discussions.

## 6.2 Legal Framework for Tourism in the Maldives

The Maldives has implemented a variety of legal instruments to ensure the proper management and regulation of its tourism sector. These include laws related to tourism development, foreign investment, environmental protection, and employment rights. The main legal instruments related to the tourism sector are as follows:

Table 6-1: Legal Instruments in the Tourism Sector for Maldives

Name of the Legal Instrument	Purpose of the Legal Instrument and related regulations
International Code for the Protection of Tourists (ICPT)	<ul style="list-style-type: none"><li>Maldives became a signatory to the International Code for the Protection of Tourists developed by the United Nations World Tourism Organization on 15 June 2023.</li><li>The ICPT is a soft-law instrument of a non-legally binding nature which envisages principles and recommendations.</li><li>It provides guidance for policy, legislation, and regulatory practice at a national level for the protection of tourists as consumers.</li><li>It also provides a harmonized framework to enhance legal clarity and</li></ul>

	assist tourists during emergency situations.
<b>Tourism Act (Law No. 2/99)</b>	<ul style="list-style-type: none"> <li>• <b>Purpose:</b> This law governs the tourism industry in the Maldives and lays the foundation for the establishment, regulation, and promotion of tourism activities in the country. This Act provides for the determination of zones and islands for the development of tourism in the Maldives: <ul style="list-style-type: none"> <li>○ The leasing of islands for development as tourist resorts, the leasing of land for development as tourist hotels and tourist guesthouses, the leasing of places for development as marinas, the management of all such facilities; and the operation of tourist vessels, diving centres and travel agencies, and the regulation of persons providing such services.</li> </ul> </li> <li>• <b>Regulations:</b> Several regulations, directly and indirectly related to tourism industry, help govern tourism activities. These regulations set the standards for the classification, licensing, and operation of tourism accommodations, including hotels, resorts, and guesthouses.</li> </ul> <p>They include:</p> <ul style="list-style-type: none"> <li>○ Bareboat Regulation (Regulation Number 2012/R-45)</li> <li>○ Boundary of Tourist Establishments (Regulation Number 2015/R-43)</li> <li>○ Construction Period Extension Regulation (Regulation Number 2022/R-236)</li> <li>○ Cross Subsidy (Regulation Number 2022/R-125)</li> <li>○ Development of Integrated Tourist Resorts (Regulation Number 2023/R-163)</li> <li>○ Development of Private Islands (Regulation Number 2021/R-71)</li> <li>○ Diving Regulation (Regulation number 2013/R-172)</li> <li>○ Fire Regulation (Regulation Number 2015/R-43)</li> <li>○ Foreign Tourist Vessel Regulation (Regulation Number 2024/R-2)</li> <li>○ Grant of Rights (Regulation Number 2010/R-14)</li> <li>○ Guest House Regulation</li> <li>○ Hotel Regulations (Regulation Number 2013/R-1652)</li> <li>○ Lease Period Extension for Tourist Establishments (Regulation Number 2022/R-97)</li> <li>○ Protection and Conservation of Environment in the Tourism Industry</li> <li>○ Resort Regulations:</li> <li>○ Lease Rent of Tourist Islands, Lands, and Lagoons (Regulation Number 2022/R-33)</li> <li>○ Regulation on Safety and Security Standards at Tourist Establishments (Regulation Number 2020/R-27)</li> <li>○ Submissions of Proposals for Leasing of Islands, Land and Lagoons for Tourism Purposes (Regulation Number 2016/R-69)</li> <li>○ Regulation on Non-Resorts</li> <li>○ Strata Villas Regulation (Regulation Number 2023/R-155)</li> <li>○ Symbolic Marriage Regulation (Regulation Number 2020/R-36)</li> <li>○ Tour Guide Regulation (Regulation Number 2012/R-44)</li> </ul>

	<ul style="list-style-type: none"> <li>○ Regulation on Collection of Data for the Compilation of Tourism Statistics (Regulation Number 2020/R-39)</li> <li>○ Tourist Vessel Regulation (Regulation Number 2007)</li> <li>○ Travel Agents Regulations (Regulation Number 2021/R-29)</li> <li>○ Yacht marina (Regulation Number 2023/R-178)</li> <li>● <b>Policy:</b> Policy on leasing of islands and lands held wholly or jointly by the Government of the Maldives – Policy made pursuant to section 5 of the Tourism Act (Law number 2/1999)</li> </ul>
<b>Investment Law (Law No. 11/2024)</b>	<ul style="list-style-type: none"> <li>● This law governs foreign investments in the Maldives, including tourism-related investments.</li> <li>● The Act also contains clauses pertaining to the applicability of free trade agreements (FTAs) and international treaties to foreign investments in the Maldives. It stipulates that clauses governing particular foreign investments in the Maldives included in such treaties and free trade agreements (FTAs) will take precedence over any other applicable regulations.</li> <li>● The Act: <ul style="list-style-type: none"> <li>○ Establishes procedures for foreign investment</li> <li>○ Protects the rights and responsibilities of investors</li> <li>○ Identifies investment opportunities for foreign investors</li> <li>○ Specifies the actions that constitute violations of the law</li> <li>○ Outlines special circumstances when the state can withdraw foreign investments</li> </ul> </li> </ul>
<b>Environmental Laws</b>	<ul style="list-style-type: none"> <li>● Environmental protection is a priority in the Maldives due to its vulnerability to climate change. The government has enacted several laws to protect its marine and terrestrial ecosystems, which have ramifications on tourism practices.</li> <li>● <b>Key Laws:</b> <ul style="list-style-type: none"> <li>○ Environment Protection and Preservation Act (Law No. 4/93)</li> <li>○ Waste Management Act (Law No. 24/2022)</li> <li>○ Fisheries Act (Law No. 14/2019) (NEW)–Law No. 2/87 (repealed)</li> <li>○ Energy Act (Law No. 18/2021)</li> </ul> </li> <li>● <b>Other instruments that may be relevant:</b> <ul style="list-style-type: none"> <li>○ International Trade Controls on Endangered Species Act (Law No. 13/2022)</li> <li>○ Special Economic Zone Act (Law No. 24/2014)</li> <li>○ Climate Emergency Act (Law No. 9/2021)</li> <li>○ Sandmining Act (Law No. 77/78)</li> <li>○ Ozone Layer Protection Act (Law No. 41/2015)</li> <li>○ Maritime Law of Maldives (Law No. 6/96)</li> <li>○ Uninhabited Islands Act (Law No. 20/98)</li> <li>○ Flora Preservation Act (Law No. 12/2011)</li> </ul> </li> </ul>
<b>Labor Laws</b>	<ul style="list-style-type: none"> <li>● The Maldives has labour regulations that protect both local and foreign workers in the tourism sector. These include: <ul style="list-style-type: none"> <li>○ <b>Employment Act</b> (Law No. 2/2008), which sets out workers' rights, including conditions for tourism sector employees.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ <b>Regulations on Foreign Workers</b> (Regulation Number 2023/R-111) to ensure fair employment practices.</li> </ul>
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### 6.3 Tourism Plans and Policies

The Maldivian government has developed strategic plans and policies aimed at promoting sustainable tourism, increasing the economic contribution of the sector, and managing the impact of tourism on the environment.

*Table 6-2: Policies and Plans in the Tourism Sector for Maldives*

Name of Policy/Plan	Purpose and Key Areas of focus of the Policy/Plan
<b>Tourism Master Plan (2023-2027)</b>	<ul style="list-style-type: none"> <li>• <b>Purpose:</b> The Tourism Master Plan provides a blueprint for the development of the tourism sector over the long term, with a focus on sustainable practices and the diversification of the tourism market.</li> <li>• <b>Key Areas:</b> <ul style="list-style-type: none"> <li>○ Expanding the tourism infrastructure to include not only resorts but also guesthouses and other accommodations on local islands.</li> <li>○ Promoting eco-tourism, cultural tourism, and other niche markets.</li> <li>○ Developing tourism in the outer islands to spread economic benefits more evenly.</li> </ul> </li> </ul>
<b>Sustainable Tourism Policy</b>	<ul style="list-style-type: none"> <li>• <b>Goal:</b> This policy aims to balance tourism growth with environmental and cultural preservation.</li> <li>• <b>Key Focus Areas:</b> <ul style="list-style-type: none"> <li>○ Promoting <b>environmental sustainability</b> through the protection of coral reefs, energy efficiency, and waste management.</li> <li>○ Encouraging <b>community-based tourism</b> to involve local populations in tourism-related activities (Ministry of Tourism, 2022).</li> <li>○ Support for <b>green certifications</b> for resorts and hotels that adopt sustainable practices.</li> </ul> </li> <li>• Ecotourism Framework and Roadmap (Ministry of Tourism)</li> </ul>
<b>Climate Change Adaptation and Disaster Management</b>	<ul style="list-style-type: none"> <li>• Given the Maldives' vulnerability to climate change, the tourism sector is part of broader national efforts to adapt to rising sea levels and other environmental risks.</li> <li>• <b>National Adaptation Programme of Action (NAPA)</b> focuses on protecting the tourism infrastructure from the impacts of climate change (UNDP, 2018).</li> <li>• <b>Maldives Tourism Action Plan (Strategic pathway for climate resiliency in tourism).</b></li> <li>• <b>Disaster Management Framework</b> ensures that emergency preparedness and tourist safety protocols are in place (National Disaster Management Centre, 2020).</li> </ul>



<b>Green/Eco Tourism Certification</b>	<ul style="list-style-type: none"><li>• This initiative encourages tourism operators to adopt environmentally responsible practices by offering certification for resorts and hotels that meet green standards.</li><li>• <b>Criteria:</b> Includes energy conservation, waste management, and marine ecosystem preservation (Maldives Tourism Ministry, 2023).</li></ul>
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## 7. Current Status of Tourism Practices in Laamu Atoll:

Laamu Atoll consists of 11 inhabited islands with a resident population of nearly 14,699 people (2023 Maldives Bureau of Statistics, 2023.). Despite the availability of land on bigger islands such as Gan, Fonadhoo, Isdhoo and Kalaidhoo there are very few tourisms related facilities registered and in operation in the atoll. According to the statistics reported by MoT, currently there are only 3 facilities that has been registered as guesthouses and the atoll has no bareboats, hotels, vessels and yacht marinas that are registered and operational. The atoll has two resorts that is registered and in operation which are Six Senses Laamu at Olhuveli and Rahaa Resort at Kudafares and Fares. The list of operational facilities registered in MoT is listed in Table 7-1.

The three guesthouses registered are in L.Gan and which is the biggest island in the atoll and the most developed with health care facilities, access to quality education and all basic utilities and necessities. Reveries Diving Village is the oldest guesthouse in the atoll which started their operations in 2013 and is also the only guesthouse which has been operating regularly since opening. There have been several other guesthouses with a larger capacity operating in L.Gan before COVID-19 which have since then closed down. The existing facilities offering tourists the local tourism experience of the atoll is very limited. The biggest challenge highlighted by guesthouse operators in expanding their business to facilities with a larger occupancy is the limited demand by tourists and tour operators due to the distance of the Laamu Atoll from the capital and the high fare of the air travel from Male' to Kadhdhoo.

*Table 7-1: Registered and operational resorts, hotels, guest houses, bareboats, vessels and yacht marinas in Laamu Atoll.*

#	Facility Type	Name	Island	Rooms	Beds
1	Guest House	Clouds Beach Retreat Laamu	Gan	8	16
2	Resort	Rahaa Resort	Kudafares and Fares	81	162
3	Guest House	Reveries Diving Village	Gan	23	46
4	Resort	Six Senses Laamu	Olhuveli	99	198
5	Guest House	Sunsetvilla	Gan	4	8

With limited local tourism activities there is very little tourism related benefits for the local community and the economy of the atoll. The atoll has no souvenir shops that sells local products to guests since there are very limited visitors to the inhabited islands from the two resorts that are in the atoll. Both Six Senses and Rahaa Resort are located closer to the eastern and southern boundaries of the atoll which has created opportunities for L.Hithadhoo, L.Maamendhoo and L.Maavah to establish tourism related activities on the island such as excursion activities and selling local products to the visiting guests. L.Hithadhoo "Kulhi and Vashaigenvaa Sarahahdhu" which is saltwater mangrove located towards the southwest of the island is a Marine Protected Area (MPA) and one of the major tourist attractions.

Since both the resorts are located towards one end of the atoll the islands located in the northern boundary have very limited opportunities to benefit from resorts currently operating in the atoll. Islands such as Kalaidhoo, Isdhoo, Dhanbiboo, Mundoo and Maibaidhoo which are very isolated have little to no tourism related activities. Very few of the local women of these islands benefit from "fangi vinun" or thatching of coconut palm fronds and selling it to the resorts. The local men from Maavah, Maibaidhoo and Isdhoo benefit from selling reef fish to the

resorts. Reef fishing and selling the fish to nearby resort is common to all the inhabited islands of the atoll except for Fonadhoo, Mundoo and Kalaidhoo.

## 7.1 Current Sustainable Practices in Tourism Facilities

### 7.1.1 Six Senses Laamu

Six Senses Laamu is deeply committed to sustainability, integrating eco-conscious practices into every aspect of its operations. The resort follows a holistic approach of protecting marine ecosystems like coral reefs, seagrass meadows, and mangroves while collaborating with local communities to support livelihoods, education, and resource management. It also preserves Maldivian traditions and ensures its business practices, from supply chains to funding, are sustainable and ethical.

The resort funds many of its sustainability projects through a dedicated Sustainability Fund. The fund is supported by contributions like 0.5% of resort revenue, 50% of bottled water sales in their restaurants, and all proceeds from soft toy sales and guest donations. This money is invested in projects that benefit the environment, wildlife, and local communities (“MUI 2023 Annual Report,” 2023). Following are the eco-conscious and sustainability practices by the resort with community engagements and collaborative efforts:

- Leading the efforts to restore coral reefs by releasing over 12 million coral larvae and nurturing baby corals for out planting.
- Protect vast seagrass meadows that are vital for marine life and carbon storage, educating guests about their importance and research into the carbon storage capabilities of seagrass and mangroves.
- Waste is meticulously sorted for recycling or upcycling, single-use plastics are banned, and drinking water is produced onsite to minimize plastic waste.
- Dining practices emphasize sustainability by sourcing fresh, organic, and local ingredients, reducing food miles and supporting local farmers and fishermen.
- Guests are encouraged to be part of these conservation efforts by participating in activities like coral planting and marine monitoring or attending workshops and tours that highlight sustainability.
- MUI's coral larval restoration initiatives prioritized genetic diversity and resilience in coral populations. In 2023, over 12.2 million coral larvae were released onto reefs, and 2,000 baby corals were raised for future transplantation.
- Programs like “Hello Hallu” teach students about marine ecosystems, while the Sea Turtle Ranger Program has drastically reduced illegal egg harvesting.
- The Laamaseelu Masveriyaa Sustainable Fisheries Program expanded to three additional resorts in 2023, with 110 fishers registered and over 40 workshops conducted. This program promotes sustainable fishing practices, enhances fish supply traceability, and aligns local livelihoods with sustainable tourism.

Looking ahead, Six Senses Laamu plans to expand its coral restoration efforts, deepen its engagement with local communities, and invest in innovative technologies to further enhance its sustainability practices.

### 7.1.2 Reveries Diving Village

Reveries currently operates at an average occupancy of 50% with majority of the visitors being tourists. Although sustainability is not at the forefront of their operations water efficiency measures have been installed into the daily operation of the facility. Currently they have an underground water tank that harvest rainwater which is then pumped into overhead storage tanks placed at the terrace of the building. This stored rainwater is used in all 23 guest rooms for flushing which significantly reduces the water usage of the building resulting in reduction in wastage of water. Additionally, there are plans for placing solar panels on the roof of the building to generate electricity to cater for the power consumption needs.

## 7.2 Inhabited Islands

Of the 11 inhabited islands in Laamu Atoll, only Mundoo, Maavah, Kalaidhoo, Gan, and Fonadhoo currently have operational guesthouses, as outlined in Figure 7-1. These guesthouses form the backbone of the atoll's emerging tourism sector. Interestingly, while official records MoT show that L. Gan has three registered guesthouses, the island currently operates 10 guesthouses, serving primarily local visitors traveling within the atoll. This highlights a degree of underreporting or informal operation, which may reflect broader patterns in the nascent stage of tourism development in the region. On the other hand, the remaining six islands in Laamu Atoll do not yet have operational guesthouses, further emphasizing the uneven distribution of tourism infrastructure across the atoll.

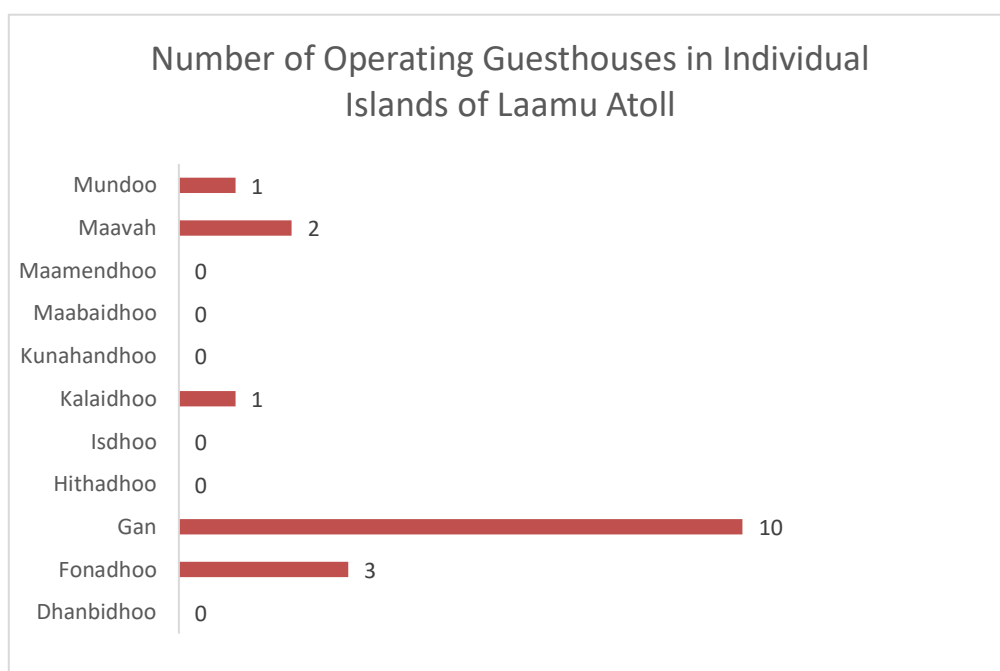


Figure 7-1: Operating Guesthouses in individual Islands of Laamu Atoll

Despite the lack of operational guesthouses in some islands, all 11 inhabited islands have identified specific tourism zones in their Land Use Plans (LUPs). These zones are dedicated to tourism-related activities and are a clear indicator of the atoll's long-term vision for expanding its tourism potential. Among the islands with ongoing developments, L. Isdhoo and L. Maamendhoo have initiated guesthouse construction projects, signalling an active effort to establish a foothold in the industry. Additionally, L. Mundoo is undertaking a significant tourism

development project with the construction of a 25-bed hotel. This hotel is expected to be completed in 2025, with operations commencing later in the year.

Currently, however, sustainable practices are notably absent in both the operation of existing guesthouses and the construction of new facilities. This omission is not due to a lack of awareness, as local councils are familiar with sustainable best practices and environmental preservation measures. Rather, the focus of these councils has been overwhelmingly directed toward economic growth and the creation of employment opportunities for the local population. The prevailing mindset prioritizes immediate development opportunities and tangible economic benefits over long-term environmental conservation. That said, there are exceptions to this trend. The councils of L. Maavah and L. Hithadhoo have demonstrated a commitment to preserving their respective mangrove areas while simultaneously exploring tourism-related activities that could generate revenue. L. Isdhoo and L. Gan councils are committed towards preserving the local heritage sites within the island to attract visitors and promote cultural tourism as a sustainable source of income for the local community.

All inhabited islands in Laamu Atoll offer homestay options. These accommodations allow visitors to stay with local residents in their homes, typically located on family plots. Homestays are primarily utilized by domestic visitors from other islands and atolls, providing an alternative form of tourism that supports local families directly. This informal hospitality model is a vital part of the local economy, even in islands where formal tourism infrastructure is minimal or non-existent.

Despite the limited number of operational guesthouses and the absence of established tourism facilities in many islands, there is a shared belief among the residents of Laamu Atoll in the region's potential to thrive in the tourism industry. The atoll's natural beauty, characterized by immaculate white sandy beaches, lush mangroves, and abundant marine life, is widely regarded as its most significant asset. However, residents and local councils alike identify a major challenge that hinders the development of tourism: the atoll's distance from the main international airport and the capital city, Malé. This geographical factor has made it difficult to attract significant investor interest, as accessibility remains a key consideration for large-scale tourism ventures.

Looking ahead, the atoll's residents and councils remain optimistic about the future. They recognize the need for strategic investment in infrastructure, better connectivity, and enhanced marketing to unlock Laamu's potential as a premier tourist destination. By addressing these challenges and integrating sustainable practices into their development plans, the islands of Laamu Atoll could position themselves as a model for balanced and inclusive tourism development in the Maldives.



# 8. Challenges in Tourism Development Practices in Laamu Atoll:

This section examines the key challenges identified through stakeholder consultations and data analysis, shedding light on the barriers that must be addressed to promote sustainable and resilient tourism practices in Laamu Atoll. Island-specific challenges in tourism development further highlight the unique obstacles faced by individual communities. Accessibility remains a key issue, with the atoll’s remote location, limited transportation options from the capital Malé, and high domestic flight fares deterring tourists and investors alike. These barriers, coupled with limited investment opportunities and inadequate support from the government for tourism-related activities, restrict the development of diverse and resilient tourism infrastructure. Additionally, the strain on fragile ecosystems, including coral reefs and mangroves, highlights the need for sustainable practices to safeguard the natural assets that underpin the region’s appeal. Weak policies, insufficient government initiatives to promote tourism, inadequate training, and fragmented stakeholder collaboration further exacerbate these challenges.

Key challenges are presented in Table 8-1 below:

Table 8-1: Challenges in Tourism Development Practices

<b>Limited Integration Between Tourism and Local Communities</b>	<p>In Laamu Atoll, tourism activities are primarily concentrated on L.Gan, where basic infrastructure and services support tourism. However, the integration of tourism into local communities remains limited.</p> <p>Only a few resorts are located in the atoll, and islands closer to these resorts, such as L.Hithadhoo, L.Maavah, and L.Maamendhoo, have reaped the most benefits from tourism. Despite this, broader tourism engagement across the atoll is lacking, leaving many communities disconnected from the tourism sector.</p>
<b>Underutilization of Land for Tourism Development</b>	<p>Islands such as L.Isdhoo and Kalaidhoo, possess available land for tourism development, but it remains largely underutilized. On the other hand, islands like L.Maamendhoo and L.Maavah face more significant challenges due to the lack of land suitable for development. Land reclamation would be necessary to enable tourism infrastructure.</p>
<b>Environmental Pressures</b>	<p>The fragile ecosystems of Laamu Atoll, including its coral reefs, seagrass beds, and mangroves, are vulnerable to tourism development. Unsustainable practices, such as poor waste management and overuse of natural resources, further threaten the environment. Climate change intensifies these vulnerabilities, with rising sea levels and reef degradation.</p>
<b>Infrastructural Gaps</b>	<p>The Atoll is geographically distant from the capital, Male, with only one domestic airport providing access, making travel difficult for both locals and tourists. This lack of consistent connectivity which is due to the high domestic fare prices that do not match the current demand</p>

	<p>of the guesthouse market in the atoll restricts economic opportunities and limits community participation in regional development.</p> <p>Additionally, many islands with the potential for tourism lack essential infrastructure, including clean water access and sustainable waste management systems, which not only hinder tourism growth but also affect the quality of life for local residents. These gaps present major obstacles to the sustainable development of tourism in the region.</p>
<b>Policy and Regulatory Limitations</b>	<p>There is a clear absence of knowledge among the islands about existing regulations and government plans for tourism development. This lack of awareness creates a regulatory vacuum, with many communities unaware of the guidelines and policies in place to guide tourism development. The overemphasis on high-end luxury tourism in some areas, without clear support for community-based or sustainable tourism practices, leaves local businesses and initiatives marginalized.</p>
<b>Training and Capacity Building</b>	<p>Local communities across Laamu Atoll often lack the necessary skills and training to participate effectively in tourism-related opportunities. Comprehensive capacity-building programs tailored to the region's specific needs, such as eco-tourism, guesthouse management, and sustainable construction, have been conducted in the past with limited support from the local communities further limiting their ability to tap into the tourism sector's potential.</p>
<b>Fragmented Stakeholder Collaboration</b>	<p>The lack of coordination among resort operators, guesthouse operators, local councils, and the tourism ministry leads to missed opportunities for joint initiatives, such as infrastructure development, marketing, and eco-tourism programs. This fragmented approach undermines the potential for tourism development that could benefit both the environment and local communities.</p>
<b>Cultural and Social Concerns</b>	<p>Tourism development in Laamu Atoll raises concerns about cultural preservation, as local communities such as LMundhoo fear the potential for cultural dilution with increased tourist inflows. The challenge lies in balancing tourism growth with the protection of traditional values and ways of life, ensuring that tourism does not undermine the region's cultural identity.</p>

## 9. Conclusions and Recommendations

This baseline assessment offers a detailed overview of the current tourism practices, challenges, and opportunities in Laamu Atoll. The findings emphasize the vital role of tourism in the region's socio-economic development, while also identifying critical gaps in sustainability, regulatory compliance, and resource management. Key insights listed below highlight the need for a more sustainable approach to tourism, focusing on long-term environmental, cultural, and economic benefits for the region.

- **Regulatory Framework and Management**

- Absence of clear management structures to handle socio-economic, cultural, and environmental sustainability.
- Lack of regular monitoring, evaluation, and reporting systems to ensure that sustainable practices are implemented and tracked.
- Limited stakeholder engagement. Strategies and decisions are made with minimal input from local communities and private stakeholders.

- **Community Involvement and Economic Impact**

- Lack of mechanisms to ensure economic benefits for local communities, such as job creation and training opportunities.
- Minimal support for small and medium-sized enterprises (SMEs) and insufficient promotion of local products and services.

- **Rich Natural Resources**

- Although there are very limited tourism related practices currently on-going in the atoll, the potential for unsustainable tourism practices in new developments poses a significant risk to the atoll's fragile ecosystems. Coral reefs, mangroves, and seagrass beds are particularly vulnerable to tourism-related activities, necessitating strict environmental regulations and sustainable practices.

- **Tourism Infrastructure and Current Development**

- Despite the potential with vast land and lagoon areas ideal for tourism, only two resorts and three registered guesthouses are operational.
- Most tourism activities are concentrated on a single inhabited island. Limited access to other islands and the geographical distance from the capital contributes to the underdeveloped tourism sector.
- Six Senses Laamu demonstrate commitment to sustainable tourism with community engagement in conservation of the natural habitat. These efforts can be a model for other tourism developments, but broader adoption across the atoll is lacking

- **Accessibility and Connectivity**

- One of the major barriers to tourism development in Laamu Atoll is its isolation, which is compounded by high domestic flight costs and limited transportation links between islands and the capital, Malé.

## Recommendations

Based on the assessment, it is recommended that the following steps be prioritized under the tourism components of the ENDhERI project:

- **Community-Based Tourism Initiatives**  
Support councils and local communities in establishing cultural tourism experiences, such as traditional fishing, homestays, and heritage tours. Encourage guesthouses to develop unique activities for tourists, including snorkeling, diving, and dolphin watching, to highlight Laamu atoll's biodiversity. Nearby islands can collaborate with resorts like Six Senses to offer split stays and island tours, creating more diverse experiences for visitors.
- **Eco-Friendly Infrastructure and Green Building Practices**  
Develop guidelines for guesthouses and resorts to adopt sustainable construction and operations, including solar energy systems, rainwater harvesting, and wastewater treatment. Ensure all developments align with national targets, such as achieving clean energy by 2030.
- **Regional Waste Management Solutions**  
Implement the waste management infrastructure developed by the authorities, ensuring collaboration between councils, resorts, and guesthouses. Promote recycling and composting initiatives to reduce landfill waste.
- **Improved Accessibility and Domestic Travel**  
Conduct a feasibility study on reducing travel costs to Laamu Atoll and enhancing inter-island connectivity. Collaborate with travel agencies to improve transport options and attract more visitors.
- **Inclusive and Community-Driven Tourism Policies**  
Develop policies requiring tourism businesses to contribute to local development through employment quotas, investment in community projects, and active participation in decision-making processes.
- **Equitable Revenue-Sharing Models**  
Introduce mechanisms where tourism-generated revenue directly funds local development projects, ensuring economic benefits are shared with the community.
- **Capacity Building and Skill Development**  
Conduct training programs for locals in hospitality, eco-tourism, and small business management to enhance employability and entrepreneurship. Provide construction training on sustainable building practices to support green infrastructure.
- **Strengthening Tourism Oversight and Monitoring**  
Equip councils with the capacity to inspect and monitor guesthouses under decentralization mandates. Establish mechanisms to evaluate tourism's social, economic, and environmental impact regularly.
- **Expanding Community Tourism Zones**  
Designate specific areas for small-scale, locally owned tourism businesses to thrive without competing with large resorts.

- **Cultural Preservation and Heritage Promotion**

Support initiatives that document local history, preserve heritage sites, and promote traditional practices, ensuring cultural sustainability alongside tourism growth.

- **Collaborative Marketing Strategies**

Increase marketing efforts by fostering collaboration between councils, guesthouses, and travel agencies to position Laamu as a unique eco-tourism destination. Emphasize the multiplier effects of tourism by encouraging the development of complementary services and businesses. Partnering with resorts like Six Senses for split stays and joint promotional efforts can further enhance Laamu atoll's appeal.



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