



Ministry of Environment  
and Energy

# ASSESSMENT OF FINANCE SECTOR IN CONSIDERATION TO ENERGY EFFICIENT APPLIANCES AND BUILDING DESIGN IN THE MALDIVES

Promoting Energy Efficient Buildings through  
Strengthening Low Carbon Energy  
Island Strategies (LCEI) Project





Ministry of Environment  
and Energy

Strengthening Low Carbon  
Energy Island Strategies (LCEI)  
Project



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## 1. INTRODUCTION

Fossil fuel is a major contributor of global warming and sea level rise, as a result, efforts need to be put in place to reduce dependency on fossil fuel. While energy is vital for development, the need to develop concrete strategies and policies for low carbon emission is essential to implement in the Maldives, especially in the construction sectors, where the growing demand for energy consumption is attributed to rising number of modern high-rise buildings with increased use of appliances that use a lot of electricity. This growing demand for energy by the public is posing threats in achieving carbon neutrality by 2020 in the Maldives.

Maldives announced intention to achieve carbon neutrality at the UN general Assembly in 2009 and is committed to achieve the goal. Therefore, improvement of energy efficiency with application of renewable energy technologies is essential to pursue net zero carbon emission. However, to achieve such a target, Maldives need to amend the existing legal framework by incorporating energy efficiency conservation measures into the national building code as these infrastructures are the leading places that demand highest energy input from the public while the country develops.

Building codes are mandatory and are in place to provide health and safety measures to the occupants as well as the surroundings. Green buildings have no mandatory code compliance; however, they provide benchmarks for raising the standards of the buildings such that they provide energy efficiency and reduce the carbon footprint. As buildings contribute to more than 40% of the energy usage, and since the building industry is related to all forms of development taking place, the institutions providing the finances play a key role to achieve considerable reduction of carbon footprint in the building sector.

In any development, it is the financial institutions which will initiate the driving process. With loan schemes and other factors tied into 'Green Building', establishing a framework can be initiated. Banks providing loans while insurance companies provide the necessary backing, the role of financing will be pivotal in the starting off the greening of the built environment. Hence, the Project "Strengthening Low Carbon Energy Island Strategies Project (LCEI)" implemented by Ministry of Environment and Energy (MEE) with support from UNEP and funded by the Government of Maldives and the Global Environmental Facility (GEF) aims to reduce greenhouse gas (GHG) emissions through energy efficiency in the building sector. The main outputs of this project

includes, showcasing energy efficient practices/technologies at public building, energy efficiency labelling for household appliances and the incorporation of energy efficiency measures to building coded.

The project will focus on increasing energy efficiency in the building sector by developing appropriate policies, guidelines and standards and through public education and advocacy. The project aims to contribute to the transformation of markets for energy efficient technologies in buildings and the built environment in the Maldives; and the promotion of energy efficiency investments in buildings.

## **2. OBJECTIVES**

As part of project Strengthening Low Carbon Energy Island Project (LCEI), the main aim of this report is to capture financial guidelines and procedures applied by financing corporations to the urban centre of the Maldives. Hence in the subsequent sections, the report will look at the supply and demand side impacting lending activities, both in terms of client demand and new product development, energy efficiency consideration in the building sector and appliances market, role of government regulation in developing energy efficiency market, issues relevant to the evolution of energy efficiency financing and investment, identification of the risks associated with energy efficiency financing schemes and to identify options for using the available funds from the LCEI project to create investment opportunities.

## **3. METHODOLOGY**

To gather data for the report, data collection was carried in two parts. In the first part, literature review was conducted using secondary sources to overview the Maldivian financial industry and to review existing financial schemes currently offered by the commercial financing institutions in the Maldives and to assess financing schemes these institutions offer on schemes for appliances and housing.

The second part of data collection consists of stakeholder meeting with officials from the following institutions. The responses given by the respondents were recorded and later analyzed to derive meaning.

1. Bank of Maldives
2. Maldives Islamic Bank
3. Ministry of Economic Development
4. Ministry of Environment and Energy
5. Maldives Inland Revenue Authority
6. Capital Market Development Authority
7. Housing Development Finance Corporation
8. Maldives Association of Construction Industry
9. Allied Insurance

Several other stakeholders were identified regarding the assessment component of the project at the Methodology and Questionnaire stage (see *Appendix I*). These stakeholders include all the commercial banks operating in Maldives, the relevant government ministries and authorities, insurance companies, and the major real estate and constructions companies in Maldives. However, the actual participants in the stakeholder meeting were relatively less compared to the identified stakeholder. The key stakeholders are the major banks and separate interview sessions were conducted with the key stakeholders.

#### **4. BACKGROUND OF LEADING FINANCING INSTITUTIONS**

The financial sector of the Maldives consists of banks, non-bank financial institutions, securities market intermediaries and the pension fund. The banking sector comprise of eight commercial banks, which include three locally incorporated banks, four branches of foreign banks and one fully owned subsidiary of a foreign bank. Non-bank financial institutions include finance companies, insurance companies, money remittance companies and money changers. While all commercial banks and non-bank financial institutions are licensed and regulated by the Maldives

Monetary Authority (MMA), the securities market intermediaries and the pension fund are licensed and regulated by the Capital Market Development Authority (CMDA).

The banking sector plays the major in the financial market of the Maldives and the key stakeholders of this project assessment include, Bank of Maldives and Maldives Islamic Bank in the financial market. Other key stakeholders are Housing Development Finance Corporation for the building sector financing and State Trading Organization for both building sector and appliances market. Also Maldives Finance Leasing Company is considered as a key stakeholder due to its leasing products that can be used for financing appliances.

#### 4.1. Bank of Maldives

Bank of Maldives (BML) is the leading financial institution in Maldives, established on 11<sup>th</sup> November 1982. Known locally as “the national bank”, BML is a public limited company with majority ownership held by the Government of Maldives. It is a full-service bank engaging across the complete spectrum of personal, business and corporate financial services. It has an extensive network of branches, agents, relationship managers and online banking facilities.

There are several financing schemes and services offered by BML, which can be used to finance household electrical appliances and activities related to the building sector (BML, Personal Loans, 2018). These schemes include both personal and business loans, as follows:

<b>Personal Loans</b>	<b>Business Loans</b>
Lui Loan	Real Estate Loan
Lui Express	Retailers Loan
Home Loan	Business Development Loan
Lui Professional	
Home Construction Loan	
Green Loan	

*Table 1 - Different types of loans offered by BML*



### 4.1.1. Lui Loan

Lui Loans are designed for making small purchases up to a maximum limit of MVR 15,000 with an annual interest rate of 11.75%. The maximum repayment period is four years and there is no security required, although the borrowers are subjected to contribute 20% of the principle amount. This loan is suitable for home improvement purchases which can cover household electrical appliances.

### 4.1.2. Lui Express

Lui Express loans take just five days to process and the borrowers are not required to provide a guarantor or security. The borrowers have an option to apply for Lui Express with security and enjoy lower interest rate of 11.75%, otherwise the interest rate is 18% for unsecured loans. The loan amount of MVR 20,000 to MVR 50,000 has to be paid back over four years. This loan is available for Maldivians aged 18 to 60 years and the applicants must be employed for the past 12 months. Repayments are automatically deducted from salary account.

<b>Loan Amount</b>	<b>Qualifying minimum salary</b>	<b>Repayment (secured)</b>	<b>Repayment (unsecured)</b>
20,000	4,000	530	600
30,000	6,000	790	900
40,000	8,000	1060	1200
50,000	10,000	1320	1500

*Table 2 - Lui Express loan amounts, salary level and repayments (all amounts in MVR)*

### 4.1.3. Lui Professional

This loan scheme is ideal if customers want to fund a big purchase or project. Customers can borrow loan amount of MVR 50,000 to MVR 100,000 with low interest rate and take up to five year to repay. The borrowers have the option to apply for this loan scheme with security and they can enjoy the lower interest rate of 11.75%, otherwise an interest rate of 15% is charged for

unsecured loans. The applicants must be Maldivian aged between 18 and 60 years. Also the applicant must be employed for the past one year with a minimum salary of MVR 10,000. The loan repayment amount will be deducted from the salary account of the borrowers. The following table shows the loan amounts, salary levels and repayment amounts.

<b>Loan amount</b>	<b>Qualifying minimum salary</b>	<b>Repayment (secured)</b>	<b>Repayment (unsecured)</b>
50,000	10,000	1120	1200
60,000	12,000	1340	1500
70,000	14,000	1560	1700
80,000	16,000	1800	1900
90,000	18,000	2010	2150
100,000	20,000	2230	2400

*Table 3 – Lui Professional loan scheme amounts, salary level and repayments (all amounts in MVR)*

#### **4.1.4. Home loan**

This is a loan scheme specifically designed for those looking to purchase apartments, flats or row houses anywhere in Maldives. The loan can be used to purchase property of any value, and no additional security is required. The grace period of the loan is one year and the repayment period goes up to 20 years. The following table shows the equity and interest percentages of the Home Loan scheme.

<b>Equity</b>	<b>Interest Rate</b>
20%	11.00%
30%	10.75%
40%	10.50%
50%	10.00%

*Table 4 – Equity and interest rate of Home Loans*

#### 4.1.5. Home Construction Loan

BML Home Construction Loan helps the borrowers build their home while enjoying a longer repayment period of up to 20 years. The borrowers can use the Home Construction Loan to purchase land and build a new house, renovate current home, add a bathroom, kitchen or any other extension to existing home; and even use it to refinance existing construction loan from another institution. This loan amount from MVR 50,000 to MVR 15,000,000 and repayment period is up to 20 years. There is a flexible grace period of up to one and half years. In order to be eligible to this loan scheme, the borrower should be land owner, children or parents of land owner (at least one Borrower should have a legal connection).

Equity	Interest Rates
20%	11.50%
30%	11.25%
40%	11.00%
50%	10.50%

*Table 5 – Equity and interest rates of Home Construction Loans*

#### 4.1.6. Real Estate Loan

The Real Estate Loan scheme provides borrowers the opportunity to invest in real estate business. It offers attractive financial options that are flexible enough to be used in a broad spectrum of real estate (BML, 2018).

Real Estate Loan can be utilized for the construction of:

- Residential housing
- Flats/Apartments/Row Houses
- Guesthouses/Tourist Hotels
- Condominiums
- Office Premises
- Purchase a land and build a house

Under this loan scheme, borrowers can apply for loan amount from MVR 50,000 to MVR 150,000,000 with a repayment period up to 20 years. Individuals, businesses, companies and other institutions are eligible for this loan scheme given that they have a consent agreement with the land owner where land is owned by a third party. The following table shows the equity and interest rates of this loan scheme.

<b>Equity</b>	<b>Interest Rates</b>
25%	12.00%
30%	11.75%
40%	11.50%
50%	11%

*Table 6 – Equity and interest rates of Real Estate Loans*

**4.1.7. BML Retailers' Loan**

BML Retailers' Loan is a business loan targeted for Small and Medium Enterprises (SMEs) to help with further expansion of their businesses. The loan scheme is specifically designed and tailored to meet the everyday challenge of access to funds for the growth of the business, or even for restocking imports. Eligible retailers have the opportunity of obtaining a loan valued up to five times the monthly average of sales generated through BML Point of Sale (POS) terminals.

Financing is available as either a loan or an overdraft. Security is not required for loan amounts up to MVR 500,000 and the interest rate is at 13% per annum. For loan amounts above MVR 500,000, additional security is required in addition to the stock purchased and the interest rate is 12.75% per annum.

**4.1.8. Business Development Loan**

The Business Development Loan can support businesses financially when the borrowers need cash for working capital, refurbishment, and property development or just buy new machinery or equipment. The loan amount is unlimited, but equity contribution of 30% is required, for an interest rate of 12.75% per annum. There is flexibility in repayment period and collateral requirement.

## 4.2. Maldives Islamic Bank

The plan to setup Maldives Islamic Bank was initiated way back in 2007 when the Maldives Monetary Authority granted permission to the Islamic Corporation for the Development of the Private Sector (ICD) to establish the first Islamic bank in the Maldives. In 2009, ICD signed the shareholders agreement with the Government of Maldives to initiate the project. This was followed by the incorporation of Maldives Islamic Bank (MIB) on 1st April 2010 and the submission of a formal application for a banking license to the MMA. MIB received the banking license to conduct Islamic banking business from the MMA on 2<sup>nd</sup> August 2010. MIB is a collaboration between ICD which holds 85% share and the Government of Maldives represented by the Ministry of Finance and Treasury, owning the balance 15% (MIB, 2018).

On 7<sup>th</sup> March 2011, officially the bank started its business operation. A special opening ceremony was held inviting officials from the government and private business sectors. MIB aims to provide an alternative to the public and businesses who wish to avail themselves to banking transactions and dealings in strict compliance to Islamic banking principles.

MIB offers several finance schemes for individual and business, which can be used to finance household electrical appliances and activities related to the building sector. The table below shows financing schemes offered by the bank:

<b>Individual Financing</b>	<b>Business Financing</b>
Consumer Goods Financing	<i>Murabaha</i> General Asset Financing
<i>Murabaha</i> General Asset Financing	<i>Istisna</i> Project Financing
Construction Materials Financing	
Diminishing <i>Musharaka</i>	

*Table 7 – Financing schemes currently offered by MIB*

### 4.2.1. Consumer Goods Financing

This financial scheme is designed for customers who want to buy furniture, electronics and home appliances from a list of dealers (see *Appendix 2*). Based on the Islamic finance concept of

*Murabaha*, instead of lending cash to customers, MIB purchase the desired product from the seller and re-sell it to customers at a predetermined and competitive price which includes bank's profit. In return, the customers pay the total amount over agreed upon monthly instalments. The payment period is between 6 to 18 months and the payable amount must be less than 34% of confirmed income of the customer. This facility is available to customer who has been in employment for the last 12 consecutive months with MIB accepted employers (see *Appendix 3*) and the applicant must earn minimum confirmed income of MVR 4,000, in addition to that a total average gross salary for the past six months should be a minimum of MVR6,000.

#### **4.2.2. *Murabaha* General Asset Financing**

Under *Murabaha* General Asset Financing MIB provides extensive *Shariah* compliant financing solution for acquiring movable assets locally for individuals and acquisition of goods from abroad for businesses. *Murabaha* is a cost-plus sale contract, and is also known as mark-up sale. The cost will be made known to the customers. The sale can be made either in cash or credit or on instalment basis. Through this concept, the bank will purchase the asset and sell it to the customers with an option to pay the sales price in instalments over a specified period of time. The Bank's profit is the mark-up added to the cost incurred in purchasing the asset for the customers. The customer's total commitment with all financial institution including the requested financing should not exceed more than 50% of his/her confirmed gross income.

#### **4.2.3. Construction Materials Financing**

With this financial scheme, customers can buy and acquire variety of construction materials to refurbish their dream kitchen, bathroom, bedroom, etc. Based on the Islamic finance concept of *Murabaha*, MIB will purchase the desired items from the authorised suppliers and re-sell the items to customers at a predetermined and competitive price which includes the bank's profit. In return, customers pay the total amount over an agreed period of time on monthly installments. This financial scheme is available for Maldivians with a valid resident identification card and aged between 21 to 60 years. In addition to this, the applicants must be in employment for the last

consecutive 12 months with MIB accepted employers, and earn a minimum salary of MVR4,000 and total average confirmed income for the past six months should be a minimum of MVR7,000. The following tables show the accepted suppliers and construction materials approved by the bank under this scheme.

<b>No.</b>	<b>Suppliers</b>
1	Damas Home ware
2	Rainbow
3	STO
4	Nalahiya Trading Pvt. Ltd
5	Jausa Ceramic City
6	A H Brothers Pvt Ltd
7	Sonee Hardware

*Table 8 - List of accepted suppliers of construction materials*

<b>No.</b>	<b>Construction Materials</b>
1	Roofing Sheet & Accessories
2	Timber and Plywood
3	Door and Window
4	Door and Window Frame
5	Power tools
6	Electrical cables and fittings
7	Lights
8	Paint
9	Putty
10	Gypsum board and Ceiling System
11	Sanitary ware and fittings
12	Tiles
13	Cement
14	Sand
15	Iron rod
16	Aggregate
17	PVC Pipe & Fittings

*Table 9 – List of constructions materials financed by MIB*

#### **4.2.4. Diminishing *Musharaka***

Diminishing *Musharaka* - is a form of partnership in which one of the partner's promises to buy the equity share of the other partner gradually until the ownership of the equity is completely transferred to one of the partner. This transaction starts with the formation of a partnership, after

which buying and selling of the equity take place between the two partners. This facility can be used for financing completed apartments, flats, houses or buildings. The age of the property should not exceed 10 years at the time of contract being entered between the customer and the bank and the property must be in good condition acceptable by the bank. To be eligible for this scheme, the customer must be in permanent employment at least for the last 3 years and monthly payment amount should not exceed 40% of his/her confirmed gross income. The tenure of this financial facility is up to 20 years, which is subject to governing laws. The rental profit rate is from 10.5% to 12% per annum and the bank's maximum financing/investment is 80% of the purchase price.

#### **4.2.5. Istisna Project Financing**

*Istisna* project financing is available for corporate or business customers, such as companies or partnerships. This financial facility can be used for developing customer's own property either for sale or for rental. Under this *Shariah* compliant concept the bank acts as the main contractor to construct the property on the customer's behalf. The bank will then appoint a construction company selected by the customer to perform the task.

#### **4.3. State Trading Organization**

State Trading Organization (STO) was established on 9th June 1979 to undertake trading and commercial activity on behalf of the Maldivian government. STO expanded its imports, first to an increasing number of commodity items, and then on to modern construction materials, home appliances and consumer goods. Today STO group, with its subsidiaries, joint ventures and associates, is a national leader in business. It has significant and focused interests in petroleum, cooking gas, construction materials (including cement and roofing material), medical supplies and pharmaceuticals, home appliances, electronics, supermarket products and insurance.



### **4.3.1. STO Credit Scheme**

STO Credit Scheme was established in October 1995 with the objective of providing Government employees the flexibility of purchasing goods from STO on installment basis (STO, 2018). Due to its popularity and success over the years, STO has been receiving very good response with increasing number of customers purchasing goods via credit scheme throughout the year. The STO Credit Scheme is available to employees of Government, Government controlled companies and STO joint venture companies.

The credit Scheme procedure is designed in a way to provide speedy service and flexibility to Credit Scheme Customers. The process starts from approving Credit Scheme form from STO head office. In this step every applicant is given a credit limit depending on their basic salary. This limit ranging from MVR 5,500 to MVR 20,000 and depending on their salary and educational allowance a limit is allotted to each customer. An interest of 10% is chargeable on the goods purchased via credit scheme as interest. Customers can choose to purchase goods from all the outlets except STO Peoples Choice Supermart, STO Peoples Choice Staple foods and STO Peoples Choice Medicals.

### **4.4. Housing Development Finance Corporation**

Housing Development Finance Corporation (HDFC) Limited was incorporated as a state owned enterprise on 28 January 2004 by a Presidential Decree under the Companies Act, Law No: 10/96. The commercial operations commenced on March 29, 2004. HDFC was established with technical assistance from the World Bank, and initially all shares were held by the Government of Maldives. HDFC Plc. was registered as a public company on the 9<sup>th</sup> of February 2006.

HDFC entered the market for mortgage loans for housing needs of individuals and families. HDFC is unique as the only specialized housing finance institution in the Maldives. With other commercial banks operating in the mortgage housing loan market, HDFC's competitive long repayment terms and income-pooled home loans enabled the achievement of a 30% market share by the end of 2010 when the industry loan portfolio stood at Rufiyaa 1 billion. The demand for home loans continue at a rate of growth that outstrips the supply of matching funds, and long-term

bonds denominated in MVR is seen as the way forward to create sustainable housing finance in the Maldives (HDFC, 2018).

HDFC offers two categories of financial facilities, namely Loan Products and Project Finance Scheme. The corporation has got the reputation for providing pragmatic, practical and commercially minded solutions for its clients and their customers financing commercial social housing projects. Clients have come with unique ability to raise finance, and HDFC facilitate financing arrangements and lending structures as per their requirement within HDFC’s lending terms and conditions. HDFC funded commercial housing projects includes Hulhumale – Platinum Residence project Phase 1, Coral Vill project, Rain View project, Laxon project, Water Lilly project. Also HDFC is managing government social housing scheme and completion of incomplete housing project.

HDFC offers both Conventional and Islamic housing finance facilities with affordability, flexibility, longest repayment period and highest quality of service in the Maldives. The corporation offer unique flexible options to structure repayment with tenures of up to 25 years. Currently there are four housing finance loan products offered by HDFC.

<b>Products</b>	<b>Interest</b>	<b>Tenure</b>	<b>Equity</b>	<b>Limit</b>
<i>Home Renovation</i>	11.25%	5 years	-	Up to MVR 200,000
<i>Standard Home Loan</i>	11.25%	20 years	20%	Up to MVR 1 Million
<i>Million Plus</i>	11.50%	20 years	20%	More than MVR 1 Million
<i>Rent Option</i>	12.50%	20 years	20%	More than MVR 50,000

*Table 10 – Loan products offered by HDFC*

In addition to these loan schemes, HDFC also offers Islamic home financing facilities by setting up HDFC Amna is to confer choice to the customers to choose between Islamic and conventional products.

#### **4.4.1. Home Construction (*Isthisna*)**

This facility is a Sharia compliant financing facility to construct a House or an Apartment for the purpose of residential/rental to be occupied by owners/ co-owners/tenants. Under this facility the project will proceed jointly with the client and HDFC. Client will provide land and HDFC will provide funding, where finance will be directly provided to contractors/suppliers under the direction of the customer (partner in the venture). The tenure for this product is 20 years and there is a grace period of 1 year. The equity percentage is 20%.

#### **4.4.2. Purchase of land and Construction or purchase of Housing Unit (*Musharaka Muthanagisa*)**

This facility is a Sharia compliant financing facility to purchase land and construct a House or purchase housing unit / Apartment for the purpose of residential/rental to be occupied by owners/ co-owners/tenants. Under this facility the project will proceed jointly with the client and HDFC. Client will provide land and HDFC will provide funding under Islamic financing model of profit-share where finance will be directly provided to contractors/suppliers under the direction of the customer (partner in the venture). The tenure of this facility is 20 years without a grace period and 20% equity contribution is required.

#### **4.4.3. Home Renovation (*Murabaha*)**

This facility is a Sharia Compliant financing facility whereby HDFC and the customer enter into a contract for the sale of goods required to renovate the housing. These goods are agreed on the cost price plus an agreed amount of profit. The contract involves the purchase of goods identified by the client and then sells them to the customer at an agreed mark up in which the repayment is in installments and a limit of MVR 200,000. The tenure for this scheme is 5 years without any grace period and no equity contribution is required.

## **4.5. Maldives Finance Leasing Company**

Maldives Finance Leasing Company (MFLC) was set up in 2001 and commenced operations in June 2002. Establishing a formal leasing industry in the Maldives was an initiative of the International Finance Corporation and the Maldives Monetary Authority. The primary objective in setting up the company was to diversify the Maldivian financial sector and to instill healthy competition amongst its players (MFC, 2018).

In April 2014, MFLC was acquired by Tree Top Investments Pvt Ltd, a company that was founded in 2013 by a group of successful businessmen with illustrious careers. Tree Top has investments in diverse sectors of Maldives including, hotels and resorts, financial services, food and beverage, construction, real estate, retail and wholesale trade, transportation and many more.

MFLC's primary objective is to provide finance leases to small and medium scale business enterprises in the Maldives. However, there are micro-leases (Lifestyle Lease and Easy Lease) to professionals who are employed in the Civil Service, State Institutions and other private sector companies of repute.

### **4.5.1. Easy Lease**

The product has been designed to meet today's lifestyle needs, offering wide range of consumer durables and motorcycle. The customer's desired products are purchased from a supplier of their choice and sold to the customers at a predetermined price which include the profit of the MFLC. The lease rentals are structured on agreed easy monthly installments which will be deducted from the customer's monthly salary by their employer and sent to MFLC on an agreed date.

Any movable asset can be leased, but it is subject to eligibility. Repayment period from 6 months to 12 months for consumer durables and the total deduction from salary should not exceed 50% of the take home pay. There is no guarantor requirement for facilities below MVR 100,000. If the facility is above MVR 100,000 a guarantor is required and documents (copy of National Identity Card, employment letter stating the date of commencement, designation and salary details) of the guarantor need to be submitted along with the application form.

### 4.5.2. Lifestyle Lease

Lifestyle Leases are considered for permanent and long serving employees of government and government related organisations who can apply for lease facilities up to MVR 100,000. Under this scheme employees could lease motorbikes and various other consumer durables such as furniture, computers and other electronic items.

The funding on a single client/employee ranges from MVR 15,000 to MVR 100,000 for a period ranging from 6 months to 18 months depending on repayment capacity. The initial payment on consumer durable leases is 4% on cost of equipment. The monthly rental should not exceed one third of salary and fixed allowances or lease rental and other deductions should not exceed 50% of salary and fixed allowances. Further, Life Style Leases are flexible and the lease could be structured to meet individual requirements within these limits.

Each individual application can have several assets from different suppliers. MFLC has a wide range of pre-cleared suppliers (see *Appendix 4*) where customers could choose their requirements. The lease rentals would be deducted from the customer's salary and sent directly to MFLC by their employer (see *Appendix 5* for the list of participating organisations under MFLC life style leases)

## 5. EXISTING ENERGY EFFICIENCY FINANCIAL SCHEMES

Energy efficiency can be incorporated in the building sector and the appliances market with the availability of new technology, but how to finance such consideration is in questions. Financing schemes considering energy efficiency in the Maldives include the BML Green Loan scheme and the Fund for Renewable Energy System Applications (FRESA) schemes. The demand and sustainability of these schemes are also in questions.

### 5.1. BML Green Loan

In 2016, Bank of Maldives launched the BML Green Loan, to encourage investment in environment-friendly green, as a concessional loan product for individuals and businesses (PSM News, 2015).



Photo: PSM News

Following the successful United Nations Paris Agreement on Climate Change in December 2015, Bank of Maldives announced the BML Green Fund of MVR 500 million. The Green Loan is available for individuals and businesses seeking to finance environmentally friendly green technologies such as solar panels for power generation, photovoltaic panels and systems, or energy efficient equipment and appliances. Borrowings can range from MVR 50,000 to MVR 20 million, with a maximum tenure of 20 years (BML, 2016). In addition to property and vessels, any equipment or assets purchased using this loan can be accepted as collateral.

During the focus group interview, the participant from Bank of Maldives stated that the interest rate of the Green Loan scheme is very low compared to the other financial schemes offered by the bank. However, the demand for the loan scheme is not up to the expectations of the government's effort to reduce emission development in the Maldives, an essential goal given the importance of the environment to this country.

## **5.2. FRESA**

The objective of FRESA financing scheme is to support renewable energy projects that can supply power or energy services. It also provided financing to livelihood and productive activities that utilize energy from renewable energy based systems in outer island atolls. Due to its limited size, relative to the possible demand for renewable energy funding, an allocation scheme is applied in the management and utilization of FRESA. This is to ensure that small stand-alone renewable energy projects such as household biogas digesters, small PV and wind systems and renewable energy supported livelihood projects will be able to access the Fund. FRESA shall aim for an end of the year gross portfolio allocation wherein:

- RE based projects with loan sizes more than MVR 50,000 shall comprise not more 80% of the total gross portfolio of the Fund
- RE based projects and renewable energy supported livelihood and income generating activities with loan sizes of MVR 50,000 or less shall comprise not less than 20% of the total gross portfolio

FRESA can take part in any syndicated or co-financed renewable energy project as a subordinated loan to a local lender but Fund exposure shall not exceed MVR 800,000. This is equivalent to about ¼ the size of the Fund. This maximum loan amount has to be put in place to allow other renewable energy projects to access the Fund and not to put the Fund at risk with a possible default from just one borrower (Salomon-Dealino, 2006).

FRESA financing scheme is eligible for economically viable projects utilizing renewable energy technologies such as:

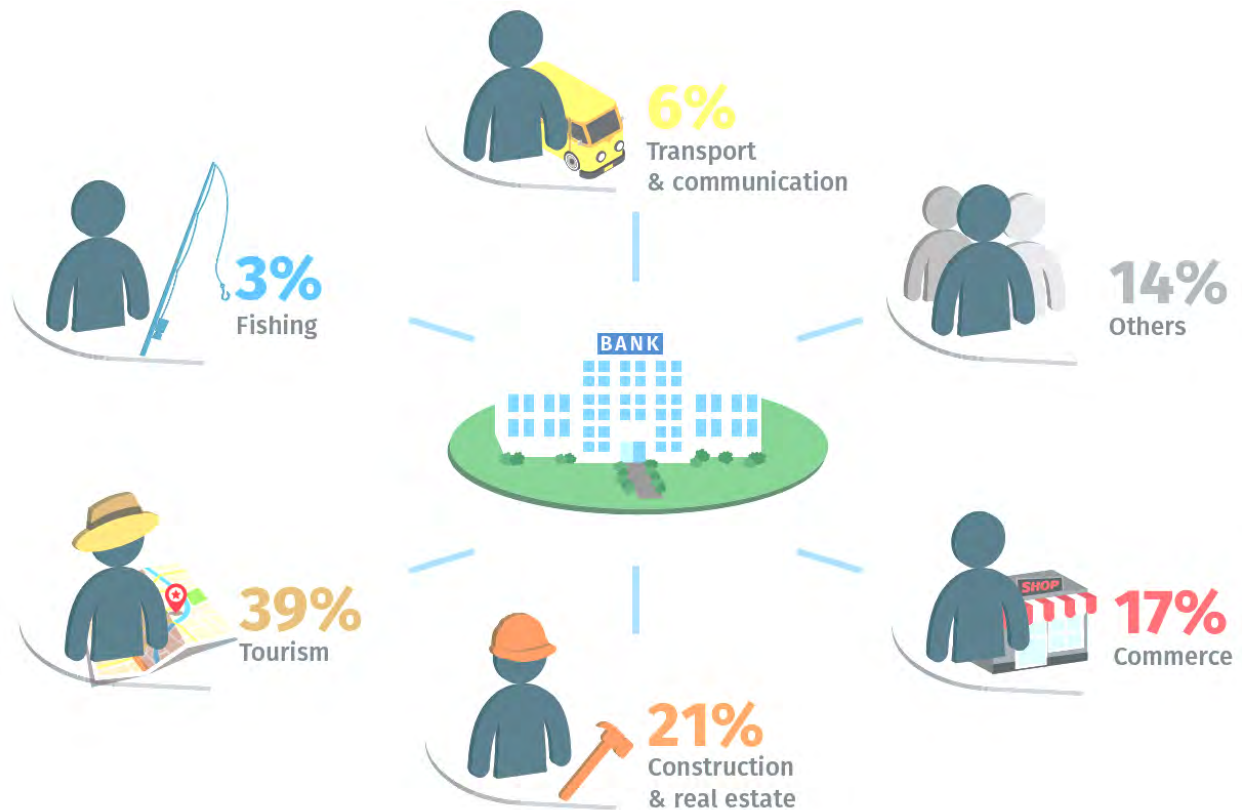
- Solar photovoltaic (PV) systems or PV in hybrid systems with diesel generators in the (outer) islands;
- Wind energy and wind power systems used in hybrid systems with diesel generators in the (outer) islands;
- Sustainable utilization of biomass in a major industry/plant;
- Capturing and utilization of landfill gas from the biologically degradable waste from Male' (which is taken to the landfill on Thilafushi island);
- Household or village bio-digesters to produce biogas out of kitchen garbage;
- Solar technology in water heating and in other applications; e.g. desalination of seawater.

FRESA Fund could be used only for the purchase, delivery and installation of the renewable energy facility. All renewable energy equipment to be purchased using FRESA Fund should be sourced from a reputable equipment supplier/ vendor and if applicable, should be covered by a supplier's maintenance guarantee. Maintenance cost should form part of the equipment cost to be financed. FRESA should also finance economically viable livelihood projects in the outer islands using power or energy supported by renewable energy systems.



## 6. ELECTRICAL APPLIANCES AND BUILDING SECTOR FINANCING

According to MMA Monthly Statistics bulletin, the construction and real estate industry loans by commercial banks contribute 21% of the total MVR 18.5 billion at the end of 2016. The construction industry is considered as the second largest industry contributing to the Maldivian economy, after the tourism sector (MMA, 2018). Approximately MVR 3.9 billion of loans from the commercial banks were given to the construction and real estate industry by the end of the year 2016. The following diagram shows the allocation of loans to private sector industries by the commercial banks in Maldives.



*Figure 1 – Loans to private sector by commercial banks*

## 7. WILLINGNESS OF FINANCING INSTITUTIONS TOWARDS ENERGY EFFICIENCY

The objective of energy efficiency finance is to provide building owners with a cost-effective alternative to using their own cash on hand for the purchase or installation of energy efficiency improvements. Energy efficiency finance structures provide building owners with access to up-front capital and financing for a specific set of facility energy improvements, which are then repaid over time as energy savings are generated. Numerous financing structures propose different arrangements for how and when the cash flows from energy savings are shared among the finance provider, customer, end-user, or other project investors. In the case of Maldives, banks are the main providers of finance to the customer who are interested in constructing their own housing or purchasing housing from real estate.

During the focus group interview sessions, the financing institutions showed interest and support to energy efficient financing schemes, provided that there is a financial incentive such as a risk reduction mechanism developed by the government for the financiers. Risks and returns for energy efficiency financing, like many renewable energy projects, energy efficiency projects involve many stakeholders, including end-users, technology providers, engineering procurement and construction firms, project developers, investors, financiers, and utilities. Given this mix, energy efficiency projects and financing arrangements can quickly become complex due to diverse stakeholder interests and the new technologies and regulatory and incentive structures. In addition, up-front capital costs, long payback periods, or performance risk aversion can discourage energy efficiency investments, even when capital for energy efficiency projects is available.

Energy efficient appliances and building development or retrofitting are typically more expensive than traditional alternatives, making their market diffusion difficult. One way to overcome this barrier is through experience and continued technological improvements to bring down costs. Financial incentives can help new energy technologies. In designing financial incentives, the following should be taken into account:

- Select technologies that have good prospects for viability in the marketplace once they are well established.
- Use incentives strategically to move particular technologies down the learning curve.

- Leverage available incentive funds and set incentives to match incremental costs on a life-cycle basis.
- Phase out incentives as technologies gain market share and drop in cost.
- Reward performance in order to minimize “free riders”.

For new technologies with good prospects for market commercialization, private entrepreneurs should be willing to absorb the costs of buying these new technologies. In this case, governments can help them to define and create the market via regulatory or other means rather than direct financial support.

Other measures to stimulate the market for new energy technologies include:

- Large-scale purchases by government or the private sector.
- Financing at attractive rates.
- Removal of import barriers.
- Continuing research and development, technology transfer, demonstrations and monitoring programmes.

## **8. POTENTIAL ENERGY EFFICIENT INVESTMENTS**

### **8.1. Rebate system to replace older products with energy efficient appliances for Hiyaa Housing Project**

Buildings consume 30% of the total energy consumption in Maldives (Riyan, 2010). According to the Maldives Energy Policy and Strategy, 2016, the Greater Male’ Region consumes 63% of the total energy consumption of the country. The contribution from buildings to the energy consumption levels of this region is likely to spike when the 10,080 housing units in “Hiyaa” housing project are completed in Hulhumale’.

A potential investment will be to incentivize the existing credit scheme of STO to either purchase or replace the older electrical appliances with energy efficient appliances at discounted prices. The electrical appliances sold through the scheme should be required to have energy labels.

To estimate a value of revenue that could be generated it is assumed that each household is likely to have the electric appliances in the quantities given in Table 11- Electric appliances and its quantities assumed to forecast revenue for Hiya housing project. The prices are the current prices of the appliances provided in STO website. For the entire Hiya housing project it can be forecasted that MVR 435,214,080 could be generated in revenues for the given appliances.

<b>Appliance</b>	<b>Quantity</b>	<b>Unit Price (MVR)</b>	<b>Revenue (MVR)</b>
Lights (80W)	14	248	3,472
Television (LED 42")	1	6,151	6,151
Washing machine (8 kg top load)	1	7,124	7,124
Refrigerator (260 L)	1	7,749	7,749
Air conditioner (Split inverter 9 BTU)	2	9,340	18,680
			<b>43,176</b>

*Table 11– Electric appliances and its quantities assumed to forecast revenue for Hiya housing project*

## **8.2. Discounting energy efficient appliances purchased through MFLC, MIB and STO credit scheme**

Electric appliances for home applications can be purchased on credit through MFLC, MIB and STO. Instead of utilizing the funds on a single housing project, a possible investment could be to incentivize the purchase of energy efficient appliances through the existing MFLC, MIB and STO credit schemes.

## **9. ISSUES REGARDING IMPLEMENTATIONS OF ENERGY EFFICIENCY FINANCING**

The biggest gap in the development of energy efficient financing schemes is the capacity development of the relevant stakeholders in the scheme. Capacity development can be assumed as the process of producing, organizing, and transforming expertise, institutions, and contexts to achieve specific desired socio-economic outcomes. Capacity development is a long term process that must be achieved through activities at the individual, institutional and systemic level. In the context of energy, implementing the energy efficiency consideration is a challenging task due to the complexities involved in the process of making energy efficient the financing schemes offered by the financing institution. Much of these complexities arise due to barriers such as:

- Lack of adequate information, technical knowledge, and training.
- Uncertainties about the performance of investments in new and energy- efficient technologies.
- Lack of adequate capital or financing possibilities.
- High initial and perceived costs of more efficient technologies.
- Lack of incentives for careful maintenance.
- The differential benefits to the user relative to the investor (for example, when energy bills are paid by the renter, the property owner may have no incentive to invest in technology)

Realizing cost-effective energy efficiency potentials will be beneficial not only for the individual energy consumer but also for the economy as a whole. Specific policy instruments can target different players from consumers and builders to, urban planners, and engineers. Some of the approaches that have been effective include energy efficiency standards and labelling, low interest loans to cover investments in energy improvements, large-scale procurement that incorporates energy efficiency requirements in the bidding process, educational campaigns, tax incentives, and voluntary agreements. For larger public entities, integrated resources planning can be used to identify the least cost options of meeting the need for energy services, looking at both supply and demand issues.

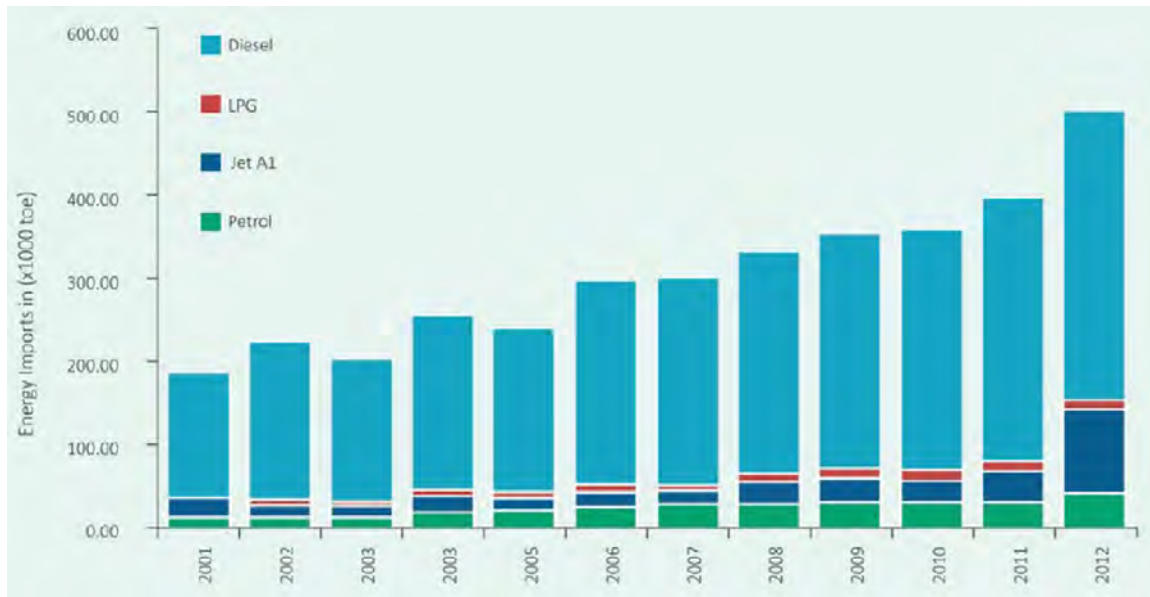
## 9.1. Demand and supply for energy efficient financing

Over the past few decades, energy usage has been concentrated in the capital city of Male'. More recently, the realisation of Climate change and the associated GHG emissions has given strong reasons for Government to explore alternative energy sources while stressing on energy conservation alternatives (MEEW, 2007).

In the context of energy, dependence on imported fossil fuel remains a major issue in the Maldives. The heavy dependence on fossil fuels creates a threat to sustainable development of the Maldives as fossil fuel is a limited supply and Maldives do not have alternative sources of energy resources that meets the demand of the people.

The demand for energy by the public is rapidly increasing, however it is difficult to assess the scale of activity or demand for energy efficient financing. This assessment explores the factors affecting demand and supply of lending and borrowing activities with regards to client demand and new product development. Rising living standards mean more people will buy appliances, electronic devices and other goods powered by electricity, driving up electrical needs.

In the Maldives, the demand for energy is met by imported fossil fuel, such as diesel, petrol (gasoline), aviation fuel (Jet A-1) and liquefied petroleum gas (LPG). Diesel is mainly used for electricity generation while petrol and aviation fuel is used for domestic transport and LPG is used for cooking purposes (MEE, 2016a). There has been a consistent growth of fossil fuel import as shown below in figure 1.



*Figure 2 – Demand for different types of energy sources in the Maldives*

As shown in figure 2, the demand for fossil fuels has been steadily growing in the Maldives over the last 12 years. This is due to the increase in the number of high-rise buildings in Malé, all equipped with air conditioning, the growing use of electrical appliances in households and commercial enterprises.

According to the banks participated in the group discussion, clients do not consider the importance of energy efficiency, mainly because that would reduce the borrowing cost. Although investment in energy efficient building and appliances can generate long-term benefit to the clients, they seem to prefer the short-term benefits. The benefits include, the cost reduction achieved through the decline in energy consumption in long-run, and reduction in carbon emissions is another advantage from the environmental perspective.

It is important to highlight that the energy efficiency requirement of a government or commercial building will not be same as the conditions for household buildings. Building efficiency, for example, may be just starting to feed through into property developments, and into the supply chain, where a high energy performance rating, or the building’s ability to reduce the power utilization, may be starting to become a pre-requisite for commercial property to get the premier property rating.

Regardless of high and volatile energy prices, energy security issues, and awareness of climate change policy drivers, the demand for energy efficiency from both private and public-sector clients are not very significant. Financial institutions are required to do external marketing to clients in order to create interest and demand for their regular products and services and any financial schemes considering energy efficiency.

## **9.2. Role of government regulation in developing energy efficiency market**

MEE is responsible for policy, planning and development of the energy sector. Under the mandate of the ministry, Maldives Energy Policy and Strategy was developed in 2010 and it was revised in 2016. The key features of the revised energy policy include providing all citizens with access to affordable and reliable electricity services, increasing energy security, promoting energy efficiency and conservation, and moving toward the target of renewable energy based electricity supply (MEE, 2016).

The Maldivian government has shown interest to implement a number of energy efficiency measures including the usage of centralized air-conditioning and energy efficient air conditioning systems for buildings and LED lights for street and public lightings (MEE, 2016a). The policy framework underpinning energy, and specifically underlying infrastructure development, as well as the structure and regulation in the electricity, buildings, construction and the industrial sector, will play a key role in ensuring energy efficiency is embedded.

During the focus group interview sessions, it was highlighted that the government has a very important role to play in promoting and facilitating market for energy efficiency financing. The banks are keen to develop and introduce financial schemes if the government or the regulatory authorities provide incentives to minimize their risk associated with such schemes.



## 10.RECOMMENDATIONS AND CONCLUSION

Capacity development can be assumed as the process of producing, organizing, and transforming expertise, institutions, and contexts to achieve specific desired socio-economic outcomes. (UNDP, 2004). Capacity development is a long term process that must be achieved through activities at the individual, institutional and systemic level. The public sector, both at the national and the local levels, is the key target and receiver of capacity development. In the context of energy, improving the energy efficiency of an economy is a challenging task due to the complexities involved in the process of making a country energy efficient. Much of these complexity arises due to barriers such as:

- Lack of adequate information, technical knowledge, and training.
- Uncertainties about the performance of investments in new and energy- efficient technologies.
- Lack of adequate capital or financing possibilities.
- High initial and perceived costs of more efficient technologies.
- Lack of incentives for careful maintenance.
- The differential benefits to the user relative to the investor. (when energy bills are paid by the renter, the property owner may have no incentive to invest in technology)

Realizing cost-effective energy efficiency potentials will be beneficial not only for the individual energy consumer but also for the economy as a whole. Specific policy instruments can target different players from consumers and builders to, urban planners, and engineers. Some of the approaches that have been effective include energy efficiency standards and labelling, low interest loans to cover investments in energy improvements, large-scale procurement that incorporates energy- efficiency requirements in the bidding process, educational campaigns, tradable certificates for energy efficiency improvements, tax incentives, and voluntary agreements. For larger public entities, integrated resources planning can be used to identify the least- cost options of meeting the need for energy services, looking at both supply and demand issues.

New technologies are typically more expensive than traditional alternatives, making their market diffusion difficult. One way to overcome this barrier is through experience and continued technological improvements to bring down costs.

Financial incentives can help new energy technologies. In designing financial incentives, the following should be taken into account:

- Select technologies that have good prospects for viability in the marketplace once they are well established.
- Use incentives strategically to move particular technologies down the learning curve.
- Leverage available incentive funds and set incentives to match incremental costs on a life-cycle basis.
- Phase out incentives as technologies gain market share and drop in cost.
- Reward performance in order to minimize “free riders”.

For new technologies with good prospects for market commercialization, private entrepreneurs should be willing to absorb the costs of buying these new technologies. In this case, governments can help them to define and create the market via regulatory or other means rather than direct financial support.

Other measures to stimulate the market for new energy technologies include:

- Large-scale purchases by government or the private sector.
- Financing at attractive rates.
- Removal of import barriers.
- Continuing research and development, technology transfer, demonstrations and monitoring programmes.

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## Appendix 1

### Stakeholders List

<b>No.</b>	<b>Banks and insurance companies</b>
1	Bank of Maldives
2	Maldives Islamic Bank
3	Bank of Ceylon
4	State Bank of India
5	The Mauritius Commercial Bank
6	Habib Bank
7	Commercial Bank of Maldives
8	Allied Insurance
9	Amana Takaful
10	Ayady Takaful

<b>No.</b>	<b>Government and other stakeholders</b>
1	Housing Development Finance Corporation
2	Hulhumale Development Corporation
3	Maldives Finance and Leasing Company
4	Maldives Customs Services
5	Maldives Inland Revenue Authority
6	Maldives Monetary Authority
7	Ministry of Finance and Treasury
8	Ministry of Environment and Energy
9	Ministry of Economic Development
10	Ministry of Housing and Infrastructure
11	Maldives Energy Authority
12	Capital Market Development Authority
13	Maldives Association of Construction Industry

<b>No.</b>	<b>Construction and real estate companies</b>
1	One Stone Construction Pvt Ltd
2	ALIA Construction Pvt Ltd
3	Domas Private Limited
4	Wood Village Pvt Ltd
5	Maalaa Highrising Construction Pvt Ltd
6	Wave Length Pvt Ltd

7	VIV Private Limited
8	Holistics Maldives Pvt Ltd
9	Ascend Contractors Pvt Ltd
10	11S Design Construction & Consultancy Pvt Ltd
11	Dhirubaan Maldives Pvt Ltd
12	AIMA Construction Company Pvt Ltd
13	Yes Construction Company Pvt Ltd
14	KHM Investment Pvt Ltd
15	Aquamarine Holidays Private Limited
16	Landmark Construction & Development Pvt Ltd
17	UNI Engineering Pvt Ltd
18	MA Demax Company Pvy Ltd
19	EVE Construction Pvt Ltd.
20	IA Holdings Pvt LTD
21	IME Builders Pvt Ltd
22	Zaisan Company Private Limited
23	Biyalanco Private Limited
24	Royce Pvt Ltd
25	Sunwill Pvt Ltd
26	Walkers CML International Pvt Ltd
27	A Man Maldives Pvt Ltd
28	Rob Construction Pvt Ltd
29	Suria Construction Pvt Ltd
30	Beaver Builders Pvt Ltd
31	Top Deck Investment Private Limited
32	Amin Build Ware
33	ELS & Amin International Private Limited
34	Amin Construction Private Limited
35	Rainbow Construction Private Limited
36	Marukab Private Limited
37	South North Property Development Pvt Ltd
38	Trice Maldives Private Limited
39	PI Maldives Private Limited
40	Ahiya Company Private Limited
41	FW Construction Company Private Limited
42	Damas Company Private Limited
43	Paint Master Maldives Private Limited
44	United Development Pvt Ltd
45	Afami Maldives Pvt Ltd

46	Fedo Private Limited
47	Batch Construction Pvt Ltd
48	Wall Mark Private Limited
49	Hotels & Resorts Construction Pvt Ltd
50	SWIFT Engineering Pvt Ltd
51	MIMS Construction Pvt Ltd
52	Amsunn Holdings Private Limited
53	Risam Private Limited
54	Diamond Wings Private Limited
55	Aqua Beach Private Limited
56	Harim-Hotels & Resorts Investment Private Limited
57	Construction Ventures Private Limited
58	Jivoli Private Limited
59	Alysen Service Private Limited
60	Exotic Homes Private Limited
61	Maris Construction Private Limited
62	Zenith Carpentry & Construction Private Limited
63	Ahash Construction & Carpentry Private Limited
64	Athia Company Private Limited
65	Jaria Maldives Private Limited
66	Alnilam Private Limited
67	EICC Private Limited
68	Samaal Construction (LI)
69	AA Construction Pvt Ltd
70	Royal Service Pvt Ltd
71	N.S.R Investment
72	Z.F.S Construction Company
73	Azazia Company Private Limited
74	Alihavasa Construction & Carpentry Pvt Ltd
75	Island Expert Pvt Ltd
76	Island Line Private Limited
77	Palacio Investment Private Limited
78	Abyla Construction Private Limited
79	Haza Construction Private Limited
80	Tenssor Holdings Private Limited
81	Born to Build Private Limited
82	Odysseus Trade & Travel Maldives Pvt Ltd
83	Interlock Construction Private Limited
84	D-Investment

85	Timeless Group Private Limited
86	Buildous Private Limited
87	Dhuru Investment Private Limited
88	Thikaanis Investment
89	RAM Private Limited
90	Ella Blue Maldives Private Limited
91	Staunch Company Private Limited
92	Villa Shipping & Trading Company Pvt Ltd
93	Luckyhiya Maldives Private Limited
94	Emid Private Limited
95	Nasa Link Private Limited
96	Coastline Investment Private Limited
97	Q One Maldives Private Limited
98	Built Space Private Limited
99	Aanifa Private Limited
100	Pro Construction Pvt ltd
101	Propose Construction Pvt Ltd
102	Hikawi Constructions Private Limited
103	Tricore Investments
104	Hikawi Constructions Private Limited

## Appendix 2

### MIB Accepted Dealers

No.	Outlets (Consumer/Construction)
1	Agora
2	AH Brothers
3	AH Brothers 1
4	AHB Hardware
5	Albion Store
6	Albion Tile Specialist
7	Allora
8	Amin Buildware
9	Checkmark Mobiles
10	Click Computers
11	Computer Plus
12	DAMAS Atoll Furniture
13	DAMAS Buildware
14	DAMAS Furniture
15	DAMAS Home Ware
16	DAMAS Index Furniture
17	Data Vision (LAPSHOP)
18	Data Vision (PROLAP)
19	Data Vision Computers
20	Delight
21	Dreams Mobile
22	dTech Showroom
23	Eco Cool Shop
24	Ego Furniture
25	Elavaru Furniture
26	Ell Home Care
27	Ell Mobile
28	E-Talk
29	Evince
30	EVO HOME
31	Eyecare
32	Focus Computers
33	Formax
34	Furniture Center



35	GIZMO
36	GIZMO IT
37	Golden Lane - Kids Zone
38	Golden Lane - Parkway 2
39	Golden Lane - Parkway 3
40	Golden Lane Shop
41	Habitat Pvt. Ltd
42	Hardware Home
43	Hassan Marine Equipment Shop
44	Hike Showroom
45	Home-X
46	Idrees Carpentry
47	Indo Palm
48	Jausa Ceramic City
49	Kitchen Queen
50	Le'cute Life Style Electronics
51	Living Center Sanitary Ware
52	Living Centre Kitchen
53	MAXCOM Technologies
54	Megachip Electronics
55	Monalals
56	MTCC Kashavaru
57	Muni Home Care Living Center
58	MyPC ASUS Showroom
59	Nalahiya 1
60	Nalahiya 3
61	Nalahiya 4
62	Nalahiya Glass & Aluminium
63	Oliva Maldives Pvt. Ltd
64	Ozzaro
65	PC World
66	Personal Computers
67	Point IT
68	Rainbow Buildware
69	Rainbow Living Mall
70	Rainbow Office System
71	Rainbow Shop
72	Rainbow Tinu Fihaara
73	Red Wave

74	Reefside Electronics
75	Reefside Imagine
76	Reefside Lifestyle
77	Reefside Sony Showroom
78	REF COOL
79	Relax Furniture
80	Roseware
81	Samsung
82	SIMDI CPD
83	SIMDI IMM
84	SIMDI RESU
85	SIMDI Tech
86	Slym Fittings (Harware)
87	Smart Electronics
88	Smart Lighting
89	Smart Phone
90	Sonee Hardware
91	Sonee Sports Equipments
92	Sonee Sports Fashion
93	Sonee Sports Lifestyle
94	Sonee Sports Performance
95	State Trading Organization (STO)
96	Sun Front Lights
97	Sun Front LIVIN
98	Sys Core
99	Tele Maldives
100	Timber store
101	Veligaa Hardware
102	Westore

## Appendix 3

### MIB Accepted Employers

No.	NAME
1	A. H. Brothers Pvt Ltd
2	Addu International Airport Pvt. Ltd
3	Addu Investment Pvt Ltd
4	Aequitas Legal Consultants (LLP)
5	AH & Associates LLP
6	Al.Madhrasathul Arabiyyathul Islamiyya (Arabiyya School)
7	Alia Investment Pvt Ltd
8	Allied Insurance of the Maldives Pvt. Ltd
9	Amin Construction Pvt. Ltd
10	Anti- Corruption Commission
11	Ask Holdings Pvt. Ltd
12	Attorney General's Office
13	Auditor General's Office
14	Auto Parts Galore
15	Aviation Security Command
16	Big Sea Maldives Pvt. Ltd
17	Bright Brothers Pvt Ltd
18	Broadcasting Maldives Pvt. Ltf
19	Capital Market Development Authority (CMDA)
20	Centre for Community Health and Disease Control (CCHDC)
21	Centre for the Holy Quran
22	Civil Court
23	Civil Service Commission
24	College of Islamic Studies
25	Criminal Court
26	Damas Company Pvt. Ltf
27	DataVision Computers Pvt. Ltd
28	Department of Higher Education
29	Department of Immigration and Emmigration
30	Department of Judicial Administration (Magistrate Courts Included)
31	Department of National Planning
32	Department of National Registration
33	Department of Penitentiary & Rehabilitation Center
34	Department of Public Examination
35	Dharumavantha School
36	DhiIslam
37	Dhivehi Rajjeyge Gulhun Plc. Ltd.

38	Dhondhooni Little Learners Pre School
39	Drug Court
40	Ell Maldives Pvt. Ltd.
41	Employment Tribunal
42	Environmental Protection Agency
43	Eyecare Pvt. Ltd
44	Faffu Atoll School
45	FALIM Group Pvt Ltd
46	Family Court
47	Fantasy Private Limited
48	Felivaru Fisheries Maldives Limited
49	Fenaka Corporation Limited
50	Focus Computers Pvt. Ltf
51	Focus Infocom Pvt. Ltd
52	FORMAX Pvt. Ltd
53	Free Guys Holdings Pvt Ltd
54	Fuel Supplies Maldives Pvt. Ltd
55	Ghaazee School/ Hulhumale
56	Global Links Pvt. Ltd
57	Hai Investment Pvt Ltd
58	Haveeru Daily
59	High Court
60	Himmafushi School
61	Hira School
62	Hithadhoo Port Limited
63	Housing Development Corporation Ltd
64	Human Rights Commission of the Maldives
65	Ilaa Maldives Pvt Ltd
66	Imaduddin School
67	Iskandhar School
68	Island Aviation Services Limited
69	Islanders Maldives Pvt. Ltd
70	Jamaluddin School
71	Judicial Service Commission
72	Juvenile Court
73	Kalaafaanu School
74	Kinder Pre School
75	Lh. Atoll Hospital/ Naifaru
76	Lintel Investments & Management Services Pvt Ltd
77	Local Government Authority
78	Maldivian Gas Pvt. Ltd
79	Maldives Airports Company Limited
80	Maldives Broadcasting Commission

81	Public Service Media
82	Maldives Civil Aviation Authority
83	Maldives Customs Services
84	Maldives Food & Drug Authority
85	Maldives Industrial Fisheries Company Ltd
86	Maldives Inland Revenue Authority (MIRA)
87	Maldives Media Company
88	Maldives Media Council
89	Maldives Meteorological Service
90	Maldives Monetary Authority
91	Maldives National University
92	Maldives Pension Administration office
93	Maldives Police Service
94	Maldives Polytechnic
95	Maldives Port Limited
96	Maldives Post Limited
97	Maldives Road Development Corporation Limited
98	Maldives Transport And Contracting Company PLC (MTCC)
99	Male' Water And Sewerage Company Pvt. Ltd
100	Maps Maldives Pvt Ltd
101	Mega Global Air Services Pvt. Ltd
102	Ministry of Defence And National Security
103	Ministry of Economic Development
104	Ministry of Education
105	Ministry of Environment And Energy
106	Ministry of Finance And Treasury
107	Ministry of Fisheries And Agriculture
108	Ministry of Foreign Affairs
109	Ministry of Health And Gender (Atoll Hospitals, Atoll Health Centres, IGMH Atoll Health Posts, Maldivian Blood Services Included)
110	Ministry of Home Affairs
111	Ministry of Housing And Infrastructure
112	Ministry of Human Resource, Youth And Sports
113	Ministry of Islamic Affairs
114	Ministry of Tourism, Arts And Culture
115	Ministry of Transport And Communication
116	Muhyiddin School
117	Muni Enterprises Pvt. Ltd.
118	National Archives of Maldives
119	National Bureau of Classification
120	National Centre For Information Technology
121	National Centre for the Arts
122	National Disaster Management Centre

123	National Drug Agency
124	National Social Protection Agency
125	Official Residence of the President
126	Ooredoo Maldives Pvt Ltd (Formerly: Wataniya)
127	People's Majilis
128	Police Integrity Commission
129	Prosecutor General's Office
130	Public Works Services
131	Rainbow Enterprises Pvt. Ltd
132	Rasheed Carpentry and Construction Pvt Ltd
133	Reefside Company Pvt. Ltd
134	Riyan Pte. Ltd.
135	Roseware Corporation Pvt. Ltd
136	Secretariat of the Vaadhoo Council
137	Secretariate of Male' City Council
138	Secretariat of Faaf Atoll Council (Nilandhe Atholhu Uthuruburee Atholhu Council)
139	Secretariat of Faaf Biledhdhoo Council
140	Secretariat of Feeali Council
141	Secretariat of Felidheatholhu Keyodhoo Council
142	Secretariat of Fodhdhoo Council
143	Secretariat of Guraidhoo Council
144	Secretariat of Hadhdhunmathi Atoll Council
145	Secretariat of Innamaadhoo Council
146	Secretariat of Maamigili Council
147	Secretariat of Maroshi Council
148	Secretariat of Naifaru Council
149	Secretariat of North Huvadhu Atoll Dheevadhoo Council
150	Secretariat of North Miladhunmadulu Atoll Council
151	Secretariat of Omadhoo Council
152	Secretariat of Raa Atoll Council
153	Secretariat of South Ari Atoll Kunburudhoo Council
154	Secretariat of The Addu City Council
155	Secretariat of the Alifushi Council
156	Secretariat of the Dhiggaru Council
157	Secretariat of the Fodhdhoo Council
158	Secretariat of the Gaafaru Council
159	Secretariat of The Gdh Hoandedhdhoo Council
160	Secretariat of the Hoarafushi Council
161	Secretariat of the Huraa Council
162	Secretariat of the Maduvvaree Council
163	Secretariat of The Male' Atoll Council
164	Secretariat of the Meedhoo Council
165	Secretariat of the Mulak Council

166	Secretariat of the Mulakatholhu Atoll Council
167	Secretariat of The Mulaku Atoll Council
168	Secretariat of the North Ari Atholhu Atoll Council
169	Secretariat of The Rasmaadhoo Council
170	Secretariat of the South Ari Atholhu Atoll Council
171	Secretariat of The South Huvadhu Atoll Council
172	Secretariat of the Veyvah Council
173	Secretariat of the Vilufushi Council
174	Secretariat of Thoddoo Council
175	Secretariat of Ungoofaaru Council North Maalhosmadulu
176	Secretariat of V. Fulidhoo Council
177	Secretariate of Fuvahmulaku Atoll Council
178	Secretariate of GA. Nilandhoo Council
179	Secretariate of Gadhdhoo Council
180	Secretariate of Himmafushi Council
181	Secretariate of Hulhudheli Council
182	Secretariate of the Dhiffushi Council
183	Secretatriate of H.A Utheem Council
184	Seven Ocean Transport Pvt Ltd
185	Shine Learners Pre-School
186	Simdi Company Pvt Ltd
187	Sonee Hardware Private Limited
188	South Enterprises Pvt. Ltd
189	State Trading Organization PLC
190	STELCO
191	Stellar Holdings Pvt Ltd
192	Sun Air International Private Limited
193	Sunfront Pvt Ltd
194	Supreme Court of the Maldives
195	Tax Appeal Tribunal
196	The Golden Lane Shops
197	The President's Office
198	The Secretariat of the Elections Commission
199	Thilafushi Corporation Limited
200	Transport Authority
201	Veligaa Hardware
202	Villa College
203	Villa Shipping And Trading Company Pvt. Ltd

## Appendix 4

### MFLC Approved Suppliers

No.	Supplier
1	Ahima Company Pvt Ltd
2	AJE Emporium
3	Alia Investments Pvt Ltd
4	Auto Parts Galore
5	Bharat Enterprises
6	Breeze Living Mall & Breeze Home Decor
7	Bright Brothers Pvt Ltd
8	Bunka
9	Checkmark Mobiles
10	Click Computers
11	Comtronics Pte Ltd
12	Copier Plus Pvt Ltd
13	Damas
14	Dash Computers
15	Data Vision Computers
16	Delight
17	Dhummaari
18	Division of Audio Visuals Pvt Ltd
19	Ego Maldives Pvt Ltd
20	Elavaru Furniture
21	Ell Home Care
22	Ell Maldives Pvt Ltd
23	Ell Mobile
24	Evo Home
25	Expert Motors Pvt Ltd
26	Focus Computers Private Limited
27	Formax Private Limited
28	Furniture World
29	Gizmo
30	Habitat Pvt Ltd
31	Home-X Private Limited
32	Index Furniture
33	India Emporium
34	Indian Ocean Charters (Maldives) Pvt Ltd
35	Island Music
36	iTech Republic Pvt Ltd
37	Ithubaaru Fihaara



38	Kitchen Queens
39	Lapshop
40	Lecute Lifestyle Electronics
41	Lintel Investments And Management
42	Litus Automobiles pvt ltd
43	Maldives Auto Center
44	Marine Concept Pvt Ltd
45	Maxcom Technologies
46	Megachip Electronics Pvt. Ltd.
47	Microsys Computers
48	MJ & S Pvt Ltd
49	Monalals
50	Muni Enterprises Pvt Ltd
51	Pan Ocean International Pte Ltd
52	Parkway 1
53	Personal Computers
54	Pop Joy
55	Popular Trade
56	Prolap
57	Rainbow Enterprises Pvt Ltd
58	Reefside Company Pvt Ltd
59	Reefside
60	Refcool
61	Relax Maldives Pvt Ltd
62	Sheesha
63	Simdi Office Automation
64	Sonee Sports Pvt Ltd
65	State Trading Organisation PLC
66	Static Company Pvt Ltd
67	Sun Front Light Shop
68	Sun Front Pvt Ltd
69	Sunfront LIVIN
70	Taviyani Pvt Ltd
71	The Scene
72	Unimax Maldives Pvt Ltd
73	View Net Computers
74	Westore Private Limited
75	Yamaha Showroom & Service Center

## Appendix 5

### MFLC Accepted Employers

No.	Supplier
1	ADK Hospital
2	ADK Trade and Shipping Pvt Ltd
3	Alarms Private Limited
4	Alif Dhaalu Atoll Hospital
5	Alifulhu Thuththu Foundation
6	Alia Investments (Pvt) Ltd
7	Allied Insurance Company
8	Aminiya School
9	Anti Corruption Commission
10	Auditor General
11	Badminton Association of Maldives
12	Bilehdhoo School
13	Broadcasting Maldives Private Limited
14	Burunee Health Centre
15	Centre for Higher Secondary Education
16	Centre For The Holy Quran
17	Champa Brothers Maldives Pvt Ltd
18	Champa Brothers Maldives Pvt Ltd
19	Civil Aviation Department
20	Civil Court Justice Building
21	Civil Service Commission
22	Conrad Maldives Rangali Island Crown Company Pvt Ltd
23	Criminal Court
24	Crown Company Pvt Ltd
25	Crown Tours Maldives Pvt Ltd
26	Department of Higher Education
27	Department of Immigration
28	Department of Judicial Administration
29	Department of National Planning Ministry of Finance
30	Department of National Registration
31	Department of Public Examinations
32	Dharanboodhoo Health Centre
33	Dharumavantha School
34	Dhiraagu
35	Dhiffushi Council
36	Dhuvaafaru Health Centre
37	Diamonds Athurugaa Beach & Water Villa

38	Dream Solution Pvt Ltd
39	Environmental Protection Agency
40	Elections Commission
41	Fainu School
42	Family Court
43	Far Horizon
44	Ferose Investment Pvt Ltd
45	Fiyoaree School
46	Fuel Supplies Maldives Private Limited
47	Funadhoo Atoll Hospital
48	Galaxy Enterprises Maldives Pvt. Ltd
49	Ghaazee School
50	Hannan Yoosuf Architects
51	Haveeru Daily
52	Hidhaya School
53	High Court of the Maldives
54	Hiriya School
55	Housing Development Corporation
56	Hulhumale Hospital
57	Human Rights Commission of the Maldives
58	Hurawalhi Island Resort
59	Impo Holding Pvt Ltd
60	Indira Gandhi Memorial Hospital
61	Information Commissioners Office
62	Innamaadhoo School
63	Island Acoustics Private Limited Island Music
64	Iskandharu School
65	Island Aviation Services Limited
66	Jamaluddin School
67	Juvenile Court
68	Kalaafaanu School
69	Kasa Holdings Pvt Ltd
70	Komandoo Island Resort & Spa
71	Komandoo Holdings Pvt Ltd
72	Kuredu Holdings Ltd Kuredu Island Resort Spa
73	Leisure Maldives Pvt Ltd
74	Lily Beach Resort
75	Lily Hotels Pvt Ltd
76	Lintel Investments & Management Services
77	Maalhos Health Centre
78	Majeedhiyya School
79	Maldivian Gas Private Limited
80	Maldives Airports Company Ltd

81	Maldives Broadcasting Commission
82	Maldives Broadcasting Corporation (MBC)
83	Maldives Correctional Service
84	Maldives Customs Service Finance
85	Maldives Finance Leasing Company Pvt Ltd
86	Maldives Media Company Pte Ltd
87	Maldives Monetary Authority
88	Maldives Pension Administration Office
89	Maldives Police Service
90	Maldives Ports Limited
91	Maldives Post Limited
92	Maldives Tourism Development Corp
93	Maldives Transport Contracting Co Plc
94	Male Aerated Water Co (Pvt) Ltd
95	Medianet Pvt Ltd
96	Meeru Island Resort & Spa
97	Meemu Atoll Education Center
98	Ministry of Defence & National Security
99	Ministry of Education
100	Ministry of Environment and Energy
101	Ministry of Finance & Treasury
102	Ministry of Gender Family Human Rights
103	Ministry of Health Family
104	Ministry of Home Affairs Finance
105	Ministry of Housing and Infrastructure
106	Ministry of Human Resources Youth & Sports
107	Ministry of Tourism
108	Ministry of Transport Communication
109	Mirihi Island Resort
110	Misraab Head Office
111	Modern Clones
112	Muhyiddin School
113	Muni Enterprises Pvt Ltd
114	National Bureau of Classification
115	National Institute of Education
116	National Drug Agency
117	Official Residence of the President Muleeage
118	Ooredoo Maldives
119	Pan-Ocean International Pvt Ltd
120	Peoples Majlis
121	Premier Chambers
122	Reefside Company Pvt Ltd
123	SAARC Coastal Zone Management Centre

124	Seagull Group Pvt Ltd
125	Secretariat of Male City Council
126	Secretariat of the Gemanafushi Council
127	Secretariat of the Hirimaradhoo Council
128	Secretariat of the Kan'ditheemu Council
129	Secretariat of The Maalegan Council
130	Secretariat of The Magoodhoo Council
131	Secretariat of Dharavandhoo Council
132	Secretariat of South Huvadho Faresmathoda Council
133	SIMDI Company Pvt Ltd
134	Skytours Maldives Pvt Ltd
135	Solarelle Insurance Pvt Ltd
136	Sonee Sports Pvt Ltd
137	Soneva Fushi By Six Senses
138	State Electric Company Ltd
139	State Trading Organization Plc
140	Supreme Court of the Maldives
141	Thaajuddeen School
142	Thaa Atoll Education Center
143	The Maldives National University
144	The President's Office
145	Tourist Submarines Maldives Pvt Ltd
146	Trans Maldivian Airways Pvt Ltd
147	Transport Authority
148	Veligandu Island Resort
149	Vilamendhoo Island Resort
150	Villa College
151	Villa Shipping Trading Company Pvt Ltd
152	Villingili Health Centre
153	Voyages Maldives Pvt Ltd