



Integrated Country Strategy

Maldives

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1. Chief of Mission Priorities

Maldives sits astride key international shipping lanes in the heart of the Indian Ocean, making a secure, stable, and sovereign Maldives a valuable partner for the United States and an integral part of a free and open Indo-Pacific region. The election of reform-minded President Ibrahim Solih in September 2018, and subsequent peaceful transition of power, has opened a window for democratic renewal and creation of a transparent rules-based economy following years of systematic deconstruction and state capture of institutions, including parliament, the judiciary, civil society, and the media. Challenges to Maldives' newfound openness include: rising extremism; endemic corruption and substantial debt; limited capacity and space for citizens, civil society, and media; and income and development inequality. Unaddressed, these challenges will threaten President Solih's efforts to strengthen democratic governance, rule of law, public financial management, as well as to tackle corruption and empower civil society. The U.S. Mission encourages Maldives to restore traditional international relationships and to become a responsible member of the international community. We will also expand our existing engagement on combating the threat of terrorism and other security and crime issues, promoting the safety of American citizens, and supporting good political and economic governance.

Countering terrorism is an enduring area of mutual concern for the United States and the Government of Maldives (GOM). A highly dispersed population spread across 200 islands, limited government capacity, and variable political will have created space for extremist ideologies to grow. Foreign terrorist groups continue to draw radicalized Maldivians as foreign terrorist fighters; Maldives has sent the highest per capita number of foreign terrorist fighters to Syria and Iraq in prior years, according to some measures. Some of these fighters are now returning to the islands, where there are few laws or structures to deal with the threat they may pose. There are now new opportunities to expand bilateral counterterrorism efforts, as well as to target the nexus between radicalization and violent local and transnational crime.

Extremely porous maritime borders, coupled with inadequate maritime domain awareness, make Maldives vulnerable to a variety of security threats, including narcotics trafficking and smuggling. Proceeds derived from such criminal activity fund terrorism and gang activity. The Maldivian legal system lacks core technical expertise for effective investigation, prosecution, and adjudication of criminal cases, including public corruption, money laundering, narcotics trafficking, and terrorism. Links between politicians, gangs, and judges further challenge the ability of the justice system to effectively address these crimes. Addressing these challenges and encouraging development of fundamental competencies within the justice sector will enhance the security and stability of both Maldives and the wider Indian Ocean region.

Maldives scored 124 out of 180 countries in the Transparency International Corruption Perception index in 2018, below Sri Lanka, India, and Pakistan. Corruption practices exist at all levels of society, threatening inclusive and sustainable economic growth. Lax public financial

management, including government procurement, played a significant role in the Maldives' sovereign debt accumulation during the previous administration. The new administration has struggled to calculate the full extent of this burden, which derives largely from cost-inflated public works. Further, China has identified Maldives as a key Belt and Road Initiative partner, which could drive additional mortgages to finance potentially unviable public infrastructure. Unemployment is high, especially among urban youth, even as jobs in the tourism, construction, and retail sectors are filled with expatriates equal to a third of the citizen population. Supporting economic reform, growth, and governance will be a high Mission priority.

Under the previous Maldivian administration, freedom of expression, media, and assembly were significantly curtailed. This narrowed the operating space for civil society and citizen engagement. Many journalists sought exile due to routine harassment and arrest, and most chose to avoid covering sensitive topics such as corruption and religion for fear of reprisal. The murder of a prominent social media figure in 2017 served as a warning to others. Since the inauguration of President Solih, civil society organizations have grown more active, but they continue to lack capacity, including a dearth of permanent office space and inadequate staffing, in the face of these still-fragile political gains. The repeal of the Anti-Defamation Act, was a vital step forward, but the overall capacity of media to guard transparency remains low, with journalists continuing to self-censor to avoid retribution from extremists and corrupt individuals. Building on a revamped American Center in Male, the U.S. Mission will seek to provide an inclusive space for people to meet, discuss, and engage as Maldives' democracy heals.

Maldives' per capita GDP of approximately \$10,000 is by far the highest in South Asia. However, income inequality remains high. More than one third of the population lives in overcrowded housing in the capital, Male, while more than 75 inhabited outer islands do not have reliable potable water or sewerage. Environmental degradation and rising sea levels are a serious threat to Maldives in both the short and long-term. Rising sea temperatures have resulted in coral bleaching, which puts Maldives' crucial tourism and fishing industries at immediate risk. Estimated sea level rise will result in wide scale flooding and land loss for a country whose average land mass height is just one and a half meters above sea level. The U.S. Mission will continue to support GOM's efforts to improve its limited emergency response capability and effectively manage its critical environment habitat to support long-term and sustainable development.

2. Mission Strategic Framework

Mission Goal 1: Improved Government of Maldives ability to deter aggression, coercion, and malign influence by state and non-state actors lends strength to a free and open Indo-Pacific region.

Mission Objective 1.1: Strengthened professional capabilities of Maldives' security services, and improved border security to deny opportunities for malign actors.

Mission Objective 1.2: Addressed drivers of violent extremism and increased access to moderate voices to counter radicalization.

Mission Objective 1.3: United States national security interests and U.S. citizens protected abroad through enhanced Maldivian capacity on emergency response and disaster preparedness.

Mission Goal 2: Strengthened Maldivian implementation of market-oriented economic and governance reforms to enhance shared prosperity and drive inclusive and sustainable development and growth.

Mission Objective 2.1: Strengthened public and private sector capacity to implement and sustain reforms that align with international norms, improve transparency, and increase opportunities for responsible international investment.

Mission Objective 2.2: Improved Maldives natural resource management to promote long term sustainable development and economic growth.

Mission Goal 3: Improved resilience of Maldives' democracy for an enduring, comprehensive partnership.

Mission Objective 3.1: Supported robust democratic institutions and norms to contribute to enhanced transparency, rule of law, and domestic and regional stability.

Mission Objective 3.2: Augmented capacity of civil society and media to advocate for citizen-responsive governance that respects human rights and rule of law.

Management Objective 1: Embassy Colombo has a responsive and cost-effective diplomatic platform to support increased United States Government engagement in Maldives.

3. Mission Goals and Objectives

Mission Goal 1: Improved Government of Maldives ability to deter aggression, coercion, and malign influence by state and non-state actors lends strength to a free and open Indo-Pacific region.

Description and Linkages: Maldives continues to see increased rhetoric supporting violent extremism and foreign fighters traveling to Syria and Iraq to join terrorist organizations and attempting to return to Maldives. Maldives must work to prevent and counter the ability of violent extremist organizations to operate, raise funds, and recruit in the region in order to protect U.S. security at home and abroad. Maldives' location on major shipping routes, lax visa requirements, and unpatrolled maritime boundaries make it an appealing base for terrorist organizations. With a large youth population faced with unemployment and easy access to drugs, Maldives has continued problems with gangs and terrorist organizations recruiting youth towards crime and violent extremism. Broader security issues also remain an area of concern, especially maritime security with narcotics trafficking, piracy in the Indian Ocean, terrorist activity, and foreign interference all being ongoing challenges.

Mission Objective 1.1: Strengthened professional capabilities of Maldives' security services, and improved border security to deny opportunities for malign actors.

Justification: Despite the decrease in territory controlled by the Islamic State in Syria, the region continues to prove attractive to Maldivian extremists who seek to fight abroad. Media reports continue to indicate Maldives provided the highest number of foreign fighters per capita to terrorist organizations, including both the Islamic State and al-Qaeda. In 2017, a suicide attack plot was intercepted by the Maldives Police Service (MPS), that same year there were two documented instances where Maldivians have been charged with conspiring with the Islamic State (IS) to leave and fight in Syria. In late 2018, six extremists were released from government custody along with a wave of political prisoners released from jail. According to the Maldives National Defense Force (MNDF), one of the largest security concerns is the threat of returning foreign fighters propagating their extremist views, potentially influencing and recruiting additional fighter for violent extremist organizations. Isolated resort islands populated by western tourists and seemingly operating outside the Islamic sharia law governing the other islands could also prove a tempting target for would-be terrorists. To protect American citizens at home and abroad and prevent the flow of terrorist fighters, it is essential for the U.S. government to continue developing the capabilities in the Maldives to counter violent extremism within its own borders.

Mission Objective 1.2: Addressed drivers of violent extremism and increased access to moderate voices to counter radicalization.

Justification: Root cause analysis of radicalization in Maldives has identified poor individual and community resilience, specifically focused on high rates of youth unemployment, drug use, gang affiliation, and community disengagement as putting individuals at high risk of radicalization. By strengthening the resilience of targeted individuals and communities against radicalization and recruitment by extremists via sustainable improvements in the socioeconomic well-being and positive civic engagement of Maldivian youth and women, the chain of factors ending in radicalization can be disrupted. The approach will better align the skills needed in the employment market to the skills Maldivians learn; strengthen Maldivian community support structures such as Women's Development Committees (WDCs) and Community Social Groups (CSGs), mental health and psychological support systems, and create leadership opportunities. In addition, access to extremist content increases risk of radicalization. Access to alternative and moderate information and media content increases opportunities to disrupt radicalization.

Mission Objective 1.3: U.S. national security interests and U.S. citizens protected abroad through enhanced Maldivian capacity in emergency response and disaster preparedness.

Justification: The goal of visa reciprocity is to obtain progressive visa regimes, consistent with U.S. national interests, laws, and regulations, to encourage international travel that benefits U.S. citizens and the U.S. economy IAW Executive Order 13780. Presidential Proclamation 9645 requires post to frequently review and report on host-nation capabilities and accounting of host government information-sharing and identity-management practices and protocols. In addition, strengthening capacity of Maldivian military and civilians to effectively respond to emergencies of all kinds will improve the safety of U.S. citizens in Maldives.

Mission Goal 2: Maldivian implementation of market-oriented economic and governance reforms to enhance shared prosperity and drive inclusive and sustainable development and growth.

Description and Linkages: U.S. strategic interests in the Indo-Pacific region depend on an economically growing Maldives that acts transparently and enforces the rule of law. Maldives remains almost wholly dependent on the tourism sector, with the wealth of the industry being consolidated in the hands of a few resort owners, politicians, and government officials. Transparent and accountable policies create opportunities for U.S. companies to do business and increase Maldives' opportunities to fully participate in free and open rules-based trade in the region. As Maldives is able to attract responsible trade and investment, it will feel less pressure to rely on predatory foreign lending, which places Maldives further into a debt trap that allows malicious state actors to control its vital resources and sovereign land. Good governance, transparency, sound policies, and rule of law will not only help foster this growth, they promote a virtuousness throughout the economy which will provide a further buffer against foreign nations who wish to use Maldives's location astride the Indian Ocean's major sea lanes for their own benefit.

In addition, responsible management of natural resources of Maldives, the basis of their economy, will improve opportunities for sustainable development that is inclusive across the country and the population.

Mission Objective 2.1: Strengthened public and private sector capacity to implement and sustain reforms that align with international norms, improve transparency, and increase opportunities for responsible international investment.

Justification: The GOM is saddled with significant external debt that threatens the fiscal stability of Maldives and makes it financially and politically beholden to predatory foreign lenders. Relatedly, the government's tender procedures and foreign direct investment policies lack transparency and have led to widespread corruption under the Yameen administration. The Embassy will engage diplomatically with the GOM so it better understands the benefits of these sorts of policies rather than those of the easy money Maldives has been recently accepting. The U.S. Government will also provide technical assistance for policy and practice changes so that Maldives does not become even more economically and politically vulnerable to coercion by predatory states.

Mission Objective 2.2: Improved Maldives natural resource management to promote long term sustainable development and economic growth.

Justification: As an island nation, largely reliant on international tourism and sitting just one and a half meters above sea level, the sustainable management of Maldives' environmental resources will be key to Maldives ability to thrive over the next fifty years. More than 1.4 million tourists visited Maldives in 2018 (including 42,000 U.S. citizens), drawn to its pristine beaches and beautiful coral reefs. If, in its drive to develop new regional airports, massive infrastructure projects and expand services to its citizens, Maldives destroys its environment, it will have cut out the very heart of its sustainable development path. With conservative estimates of sea level rise over the next 100 years at 0.4 meters, Maldives will also need to develop inclusive mitigation measures to adapt its response to increasingly strong storm surges, flooding, and extreme weather events.

Mission Goal 3: Improved resilience of Maldives' democracy for an enduring, comprehensive partnership.

Description and Linkages: The United States seeks to help Maldives accelerate its development as a stable, democratic state and as a critical link in achieving the Indo-Pacific Strategy. U.S. assistance will "Promote American Leadership" (Goal 3 of the Joint Strategic Plan) and build on the current openness in political, civil society, and media spaces, in order to foster reconciliation and stability, and strengthen democratic institutions. The United States will work with government and civil society to increase accountability and transparency; promote free and fair elections; protect human rights and fundamental freedoms; strengthen the rule of law and democratic institutions; and bolster good governance. This projection of American values

presents an important opportunity to further U.S. foreign policy goals while bolstering the rights and democratic aspirations of the Maldivian people, which will move the country toward self-reliance and consistent engagement with the West.

Despite free and fair elections in September 2018 and a nominal return to democratic principles and a separation of powers under the Solih administration, democratic institutions and the judiciary remain weak. While the new government has expressed political will to strengthen democratic institutions, government capacity to implement such actions is nascent. Maldives must restore its democratic and independent institutions to deliver good governance, uphold human rights and civil liberties, and deter the increased threat of radicalization and terrorism. The Embassy will bolster the GOM's capacity through targeted programs and training for key government personnel.

Mission Objective 3.1: Supported robust democratic institutions and norms to contribute to enhanced transparency, rule of law, and domestic and regional stability.

Justification: After 30 years of authoritarian rule, the Republic of Maldives transitioned to a multiparty constitutional democracy in 2008. However, democratic governance in Maldives has been deteriorating since 2012, posing a significant threat to the promotion and protection of human rights. The executive branch exerted strong control over the country's legislative and judicial affairs, and committed many politically motivated prosecutions in order to neutralize political opposition. There were severe restrictions on freedom of expression, with an anti-defamation law, targeted harassment, and detention of journalists to silence dissent. The government threatened and intimidated moderate voices in civil society; restricted freedom of assembly, association, and religion; and criminalized consensual same-sex sexual relations. The government did not take steps to prosecute and punish police who commit abuses. President Solih has focused his 100 day plan and government priorities on strengthening these key democratic institutions, delegating power down to island councils, and reforming the judiciary. The U.S. government will work with the government in Maldives to restore democratic institutions.

Mission Objective 3.2: Augmented capacity of civil society and media to advocate for citizen-responsive governance that respects human rights and rule of law.

Justification: A strong civil society and independent media serve to protect all citizens, and provide them a voice through access to information, advocacy, and oversight of the government. CSOs in Maldives have potential to play a strong role in restoring democratic institutions, but have limited capacity including lack of program management expertise, weak networks of communication, and limited funding. The U.S. Government will work with the government and CSOs in Maldives to restore democratic institutions. By promoting and protecting the work of civil society actors, the U.S. Mission is well-poised to work with the government and civil society to support good governance and amplify messages of citizen-responsive democracy and freedom of expression. Concurrently, these efforts promote U.S.

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values and offer a public record of our support for just and transparent governance, accountability, and the protection of human rights.

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4. Management Objectives

Management Objective 1: Embassy Colombo has a responsive and cost-effective diplomatic platform to support increased United States Government engagement in Maldives.

Justification: With increased focus on Maldives as part of the broader Indo-Pacific strategy, we anticipate more official USG visits and longer duration visits, as well as requests to hire additional Maldives-focused staff both in Maldives and Sri Lanka. The ad hoc support platform currently in place needs upgrading and standardizing in order to meet mission needs over the medium to long term.