



Ministry of Finance,  
National Planning & Trade

# Seychelles National Development Strategy

2024 - 2028









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# Message from The President of the Republic of Seychelles



With immense pleasure and pride, I am delighted to present the National Development Strategy 2024-2028. This strategic framework marks a significant milestone in the ongoing journey of our nation's development and historical progression. The strategy will propel Seychelles on its next stage of development, with emphasis being on transformation, diversification and sustainable growth. As we embark on this new chapter in our nation's development, it is important to reflect on our key achievements and challenges, enabling us as a country and as a nation, to do better. As a nation, we have the capacity and resources, albeit limited, to continue to push forward, adapt, adopt and excel.

As a country we have faced the greatest economic challenge in our short history and today we can proudly say that our recovery has been nothing short of an economic miracle. Nonetheless, serious challenges such as climate change and substance abuse remain.

With a specific emphasis on sustainable development, economic diversification, peace and security of our small island state, and environmental resilience, this document is set toward achieving a future that prioritizes both growth and resilience for Seychelles. It is a document that serves as a commitment to generational accountability and the realization that the world we live in is evolving rapidly.

Cognizant of this and the need to keep pace with advancements in technology and sustainable development, it is crucial for us to ensure that Seychelles remains dynamic in this fast-evolving world. As such, the document, outlines key strategic areas for development for the period 2024-2028. The impact of COVID-19 has underscored the urgency to address certain key vulnerabilities in our economy, more specifically our heavy reliance on the tourism sector. The pandemic further reinforced the importance of diversifying our economy for a more resilient and adaptive future. Drawing from lesson learned, the document carefully identifies specific sectors for development which seeks to foster economic growth, peace and stability, whilst being mindful of environmental impacts. These include the agricultural, fisheries and Blue Economy sectors as well as the Digital Economy. Additionally, significant emphasis has been placed on the need to address longstanding structural challenges and that cannot happen without reforms and modernization of key socioeconomic sectors such as the public service, education, health, law and order and environmental sectors going forward. This would in turn allow for improved efficiency and establish a conducive and enabling environment for growth.

Partnerships remain paramount for the successful implementation of the National Development Strategy. Fostering collaborations and networking with relevant partners is instrumental in harnessing collective efforts, expertise and in mobilizing resources. Partnerships and networking can further strengthen capacity in human resources nationally through knowledge exchange and best practices from both our national and international partners. Through shared knowledge and collaborative efforts, we can adapt to evolving landscapes and address the persisting skills gap.

Furthermore, building on the insights gained over the past years, it is critical to establish an effective monitoring and evaluation mechanism to ensure successful implementation of the NDS. To support this, the government continues to strengthen the implementation of the Result Based Management Framework in its commitment to ensure the public sector is more performance based.

Lastly, the most critical factor in the success of the NDS lies with you, the Seychellois Citizen. What are the right set of values and principles that we as a nation need to enhance, adopt or perhaps even reject that serve the betterment to our society? What do you leave behind for the next generation and what is it that you must do to say that you feel proud to be a Seychellois? The road may be uncertain but as a nation, we must face the challenges united or face the risk of an Exodus. I urge each and every one of you to reflect on your role and responsibility as a citizen of our beautiful country, given your action of today will determine its future and that of the future generation. Together, as one, we should and can elevate Seychelles to the next stage of its development.

I extend my sincere appreciation to all stakeholders who, in diverse capacities, have played a crucial role in shaping the National Development Strategy. Your invaluable insights and contributions are deeply valued. The evident depth and quality of discussions were truly remarkable. The concrete results of these diligent efforts are to now guide Seychelles' development pathway for the coming 5 years and as a stepping stone towards Vision 2033.

It is with great pleasure that, on behalf of the National Planning Department, I extend the honor and privilege of presenting our National Development Strategy 2024-2028. I anticipate the effective execution of the strategy and the favourable results it will yield.



**H.E. Wavel Ramkalawan**



# Message from The Minister of Finance, National Planning and Trade



This National Development Strategy (NDS) 2024 – 2028 emerges at a critical juncture, responding to key global and domestic challenges that necessitate innovative and forward-thinking solutions. It represents a visionary and comprehensive blueprint designed to propel the nation toward sustainable and inclusive development, as stipulated under Vision 2033.

The strategy, which was three years in the making, is focused on the future and shall serve as the roadmap in the implementation of the transformative agenda of the government. The ultimate objective is to boost Seychelles' capacity to remain robust, resilient, adaptive, agile and flexible in the face of challenges.

The NDS seeks to present Seychelles with an opportunity to redefine its trajectory and establish itself as a resilient, sustainable and progressive nation. Recognizing the urgency of addressing complex issues, this second NDS is rooted on six key priority areas: (i) a modern public service, (ii) the transformative economic agenda, (iii) a healthy nation, (iv) a modern education system in line with future needs, (v) promotion of law and order, and (vi) environmental sustainability and climate change resilience. It serves as a compass, guiding the nation toward a future characterized by economic prosperity, social well-being, and environmental sustainability.

By delineating strategic priorities, this NDS aligns stakeholders and resources, ensuring a collective and focused effort to address Seychelles' most pressing issues. In essence, the NDS serves as a strategic roadmap aimed towards:

- Envisioning a public service that is efficient, responsive, and citizen-centric. Emphasizing the use of technology and streamlined processes, the strategy aims to enhance public service delivery, foster transparency, and promote accountability.
- Diversifying the economy, supporting innovation, and investing in key sectors, thereby defining Seychelles' approach to economic transformation. This NDS further seeks to create a robust and resilient economy that can withstand global uncertainties and foster inclusive growth.
- Prioritizing healthcare infrastructure, preventive care, and community health initiatives. This NDS aims to ensure the well-being of Seychellois citizens. Health education and technology-driven healthcare solutions will be pivotal in building a healthy nation.
- Emphasizing the reform of the education system to align with future needs. This involves curriculum updates, vocational training, a focus on science, technology, engineering, and mathematics (STEM) education, and ensuring a skilled and adaptable workforce.
- Ensuring a safe and secure environment is paramount. The NDS continues to focus on enhancing law enforcement capabilities, judicial reform, and community policing to build trust between citizens and law enforcement agencies.
- Strengthening the urgent need for environmental protection efforts, renewable energy initiatives, and climate change adaptation measures in order to build environmental conservation and climate change resilience.



As we herald in a new era of prosperity for the Seychelles, the effective execution of this NDS hinges on a collective effort, with the active involvement of the three branches of government, private sector, civil society, and international partners. Through collaborative efforts and a collective sense of ownership, Seychelles aspires to realise a future where the nation stands as a beacon of prosperity, resilience, and sustainability. By engaging citizens in the decision-making process, fostering collaboration with stakeholders, and leveraging technology for data-driven decision-making, Seychelles aims to transform this strategic document into a reality, seeking not only effectiveness in its realisation but also drawing together the fundamental principles of inclusivity and sustainability.

Let me join the President of the Republic, Mr. Wavel Ramkalawan, in urging all Seychellois to be part of this transformative journey, of which our collective effort will ensure the effective execution of the NDS 2024-2028.

**Minister Naadir Hassan**



## Acknowledgement

The team from National Planning Department wishes to thank all the private sector and civil society stakeholders, public servants from key Ministries, Departments and Agencies, development partners and the Cabinet of Ministers for all the assistance, inputs and guidance through the process.





# 1

## **Introduction**

The National Development Strategy – From Pillars to Priorities



# 1 The National Development Strategy – From Pillars to Priorities



*“A resilient, responsible and prosperous nation of healthy, educated and empowered Seychellois living together in harmony with nature and engaged with the wider world”*

The National Development Strategy 2024-2028 (NDS) can be seen as a continuation of the previous strategy, the National Development Strategy 2019-2023 (NDS19-23) and a further step towards Vision 2033. However, some context is required when considering developments during the previous NDS cycle.

The pandemic occurred in the second year of the NDS19-23 and created a set of unprecedented conditions that the country –and the world- had to face. At its inception and dissemination in 2019, the country was on a sustainable growth path, albeit with existing structural challenges and an unbudgeted climate change financing gap. Sound fiscal management in the past implied that in 2019, substantial fiscal space was available to implement the NDS in its entirety, with some critical gaps identified in hindsight. By the end of 2020, the financial and opportunity costs of the pandemic was reflected by the significant increase in public debt. Conditions thereby implied that a complete reassessment was needed, added to the fact that the year ended with a new political party in power.

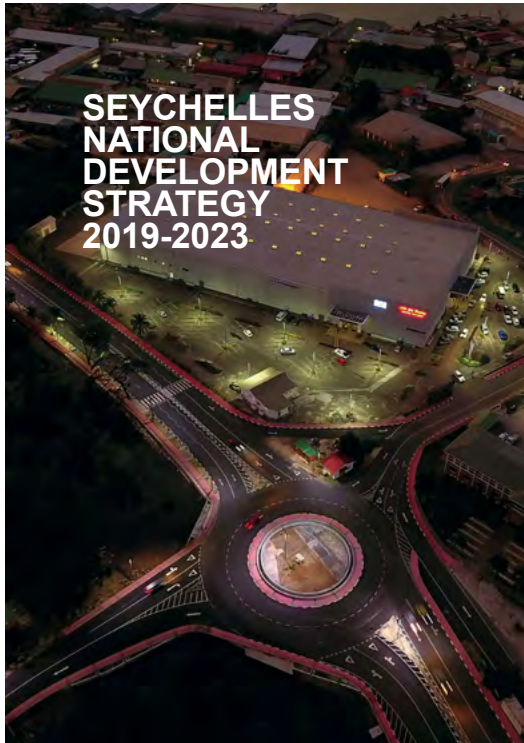
NDS 19-23 undertook an extensive mapping exercise whereby 6 thematic pillars were identified and mapped against Vision 2033 on the assumption of stable macroeconomic conditions and the acceptance that strategic planning – a key component of the Results Based Management Framework- required significant improvement such that the linkages with the financing aspects were better embedded. Moreover, further capacity building programs were expected to ensure that targets set under the NDS were met when it came to the public service.

As things stood by the end 2020, the country was in a crisis management mode whereby public health rightfully took precedence over general policy and financing constraints. Moreover, 2021 was highlighted by the accelerated urgency to re-open the economy as the country became one of the fastest nations in the world to attain the required vaccination levels. Given the high debt levels, counter-cyclical spending was not considered an option, more so when considering the potential overheating risks on the economy in a period where global uncertainty persisted. Unfortunately, and aligned with the need for a mid-term review, 2022 saw the initiation of the Ukraine-Russia war which at the period, heightened the risks of a global war. Rather, commodity price shocks were observed and the policy emphasis locally was in mitigating the price shocks on the most vulnerable in society by using a more targeted approach, mindful of the fact that the geopolitical nature of the conflict could result in rapid escalation and a worsening of conditions.

Thus, by end 2023, it can be said that targets set out under the previous NDS were not met in its entirety due to the unprecedented series of crisis events over the period, the limited fiscal space, Knightian uncertainty due to external events and a continual assessment of the post-pandemic realities of the world. Thus, in view of the conditions it was near impossible to meet targets under NDS19-23 and have the necessary structures in place to aid in its implementation.



Diagram 1.1: NDS 19-23 and The Six Thematic Areas



Given the above and with a new government elected in 2020, the leadership consensus was that the new socioeconomic realities required a more pragmatic and realist approach in setting targets under a new NDS, with emphasis made on priority areas of intervention as opposed to a pillar approach. The emphasis of the approach was to reflect the urgency in addressing critical issues through more targeted interventions rather than a more holistic approach under the previous NDS. This requires a significant shift in the execution of public service delivery.

Nevertheless, decisions undertaken over the course of the NDS19-23 included a full roll out of the RBM framework, capacity building in key areas and the acknowledgment that technological capacity and automation are critical in implementing the right structures for RBM implementation. Thus, the NDS24-28 is one that reaffirms commitments to Vision 2033, the SDGs and Agenda 2063. It is mindful of the local capacity gaps, the planning and financing gaps, the need to develop and diversify the economy at an accelerated rate for a higher growth path, the need to address structural challenges and more poignantly, to take a more proactive approach in addressing climate change needs of the country.

Given the above, the Priority Areas of the NDS24-28 are;

- i. A Modern Public Service**
- ii. The Transformative Economic Agenda**
- iii. A Healthy Nation**
- iv. Promotion of Law and Order**
- v. A Modern Education System in line with Future Needs**
- vi. Environmental Sustainability and Climate Change Resilience**



## 1 · THE NATIONAL DEVELOPMENT STRATEGY – FROM PILLARS TO PRIORITIES

### 1.1 Background

Seychelles is a small island state comprising of 115 islands and approximately 119,000 inhabitants. Despite having a relatively small land mass of 459km<sup>2</sup>, the state has an expansive oceanic space, with the Exclusive Economic Zone spanning an area of 1.4 million km<sup>2</sup>.

Discovered in 1742 but with a first settlement established 1770, the country was initially a French colony and then later British, prior to attaining independence in 1976. From 1977 and following a coup, the country was governed under a one-party state until a pluralist democratic system was adopted in 1993 with the birth of the third Republic. Over this period, significant gains were made in the development of human capital, public services and economic growth. By most metrics, progress was observed across the majority of socioeconomic indicators areas, including that of health, education, real income levels and infrastructure capacity. However, and despite continued socioeconomic progress, the period following the Third Republic was characterized by gradual increase in public debt as government faced the challenge of reduced bilateral assistance, absorbing costs of unsustainable socioeconomic policies and the need to improve the role of the private sector within the economy, amongst others.

Thus, as reflected in changes in the democratic structure, policies evolved concurrently whereby the country gradually liberalized over time, with a key transitional point after the birth of the third republic being the year 2008. Said year coincided with the peak of the global financial crisis, and domestically, an acute balance of payment crisis, an unsustainable exchange rate regime and the country defaulting on external debt payment obligations. The socioeconomic environment changed thereafter, whereby gradual adoption of neoliberal policies and extensive negotiations resulted in a more sustainable fiscal position, increased levels of household consumption, increased role of the private sector and significant increase in FDI. The impact of this reform is evidenced by the fact that in 2015, Seychelles was designated a high-income country by the World Bank Group, albeit with challenges relating to wealth distribution identified early on.

In 2020 and after 43 years of uninterrupted rule, a new government was elected whereby Linyon Demokratik Seselwa (LDS) won the presidential election. The transition of power was undertaken peacefully, with the new government sharing a common vision with its predecessor under the auspices of Vision 2033, albeit with government reprioritizing its objectives given short run constraints and structural challenges. The new government acknowledged the implications of a post-COVID19 world and the need to stem and eventually reverse the effects of the structural challenges faced whilst delivering on political commitments. Given the conditions, government is committed to market-driven and sustainable policies in the short run, as well as to improve public service delivery and trust in public institutions. In the long run, commitments as set out under the Vision 2033, SDGs and Agenda 2063 serve as a path to guide short run policy implementation.

Undertaking an assessment of the country, it can be said that Seychelles holds a unique set of geo-economic and socioeconomic conditions. On the one hand, being a small isolated island state, the economy benefits from a unique spectrum of flora and fauna, pristine locations and a history of enacting strong environmental and conservation policies whilst having no risks associated with having land borders. Moreover, the country benefits from a substantial oceanic economic zone, which intersects key global shipping routes. The geographic benefits are further enhanced when considering that the main islands are located just outside the cyclonic belt of the Indian Ocean. The country has a relatively young population with most development indicators recording marked improvements over the decades and having high rankings of the strength of public institutions relative to peers.

On the other hand, the country faces threats of climate change, has limited land area for mass commercial, industrial and residential developments, has high food and energy dependence and a population base that is insufficient to reach the required economies of scale. Moreover, structural challenges imply significant human capital investment is needed to support future growth avenues while reducing the current and increasing socioeconomic costs. In effect, to address the aforementioned challenges, substantial fiscal space and more targeted policies are needed beyond the current medium-term baseline financing projections. As with all countries, the risks of not embracing a digital economy and skills will further exacerbate competitiveness over time as well as impact the efficiency of public service. Thus, it is in this light that the economy





must be assessed to achieve the “Garden of Eden” scenario under Vision 2033. That is, to not only to mitigate the impact of the socioeconomic issues at hand, but to also close the climate and evolving demographic financing gaps in the coming years, mindful of public debt considerations and short run stability in uncertain times globally.

In effect, given the aforementioned conditions and should the country wish to sustain its development path to Vision 2033, the economy has to achieve a higher, more diversified and sustainable growth path whilst simultaneously improving government efficiency, reducing socioeconomic ills and ensuring a greater sense of equity in economic prosperity through increased opportunities. As such, the increased urgency and more constrained environment requires the NDS to transition from a pillar approach under the previous iteration to that of priority areas as a means to emphasize the areas of immediate prioritization to stand a greater likelihood in attaining Vision 2033.

While the economic model is and will be reliant on the country maintaining an open economy given the benefits, further avenues of growth need to be explored to close the funding gap of government, sustain past achievements and mitigate the impact of structural challenges. This comes with the firm technocratic acknowledgment that the NDS cannot be achieved without a thriving private sector, a more efficient government and perhaps most importantly, shaping public expectations of the economic realities, the sacrifices required and the long run benefits of doing so.

**1.2 Socioeconomic Conditions**

Undertaking the drafting of the NDS, assessments were made as to the country's performance relative to peers and evolution across time on key socioeconomic indicators. Gross Domestic Product per Capita data indicates that the country was ranked 65<sup>th</sup> globally in 2022, in comparison to 71<sup>st</sup> in 2019, and thereby indicating that despite the pandemic and effects, an improvement was recorded relative to peers suggesting sound management and improving conditions following the vaccination rollout. Moreover, the country is classified as the only country in the Sub Saharan region meeting the criteria of high income.

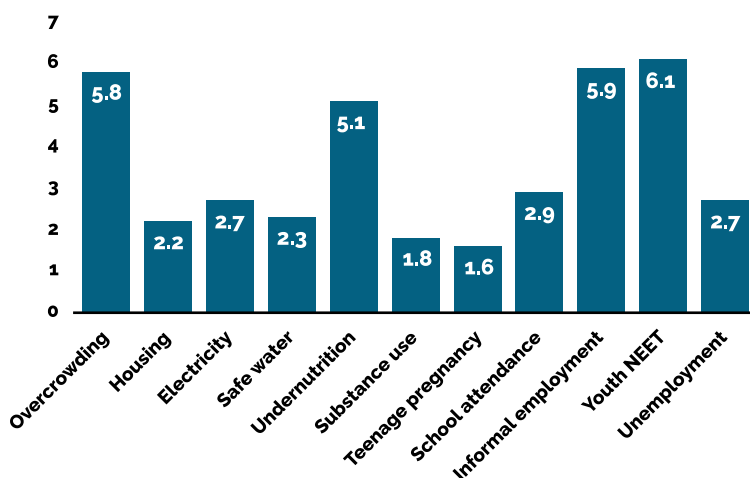
In regards to global wealth and poverty metrics, as at 2018 and based on the Poverty headcount ratio<sup>1</sup>, the percentage currently stands at 1.2%. This is comparative to countries such as the United States (1.2%) and lower than that of countries such as China (5.0%), Italy (2.1%) and well below the global rate (25.2%), albeit higher than the levels observed in high income countries (0.8%). The latter outcome is indicative of a challenge that the country faces and that is on income inequality. However, significant gains have been made in recent times with the metric showing a decline from

46.8 (2013) to 32.1 (2018), comparable to that of Germany (32.1), France (32.4) and Canada (32.5).

A joint poverty study undertaken by the World Bank Group and NBS derived a monetary poverty line of 25.3% in 2018, a decline relative to 38.4% (2013). However, given the subjectivity of income levels as a sole metric for defining poverty, the use of the Multidimensional Poverty Index was seen as a better methodology in deriving the underlying causes of poverty and beyond a subjective income level.

The 2019 report illustrated some poignant realities, namely that there is a gender component to poverty as well as the high prevalence of substance abuse. Moreover, employment and education can be seen as critical determinants in poverty and serve as an illustration of the structural challenge the country has faced. From the prescribed definition, poverty incidence was estimated at 11.88%.

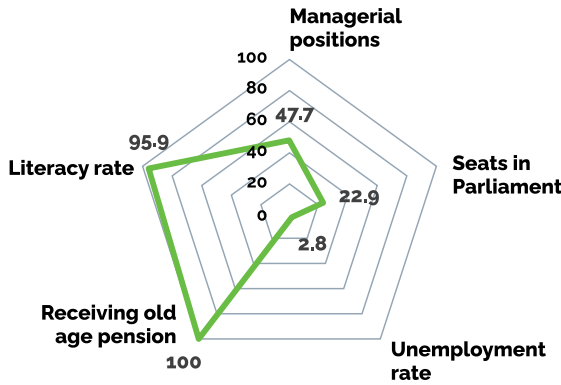
Chart 1.1: Deprivations experienced by the poor in Seychelles



<sup>1</sup> Poverty headcount ratio at \$3.65 a day (2017 PPP) (% of population)

1 · THE NATIONAL DEVELOPMENT STRATEGY – FROM PILLARS TO PRIORITIES

Chart 1.2: Women's situation in key gender indicators (per cent)



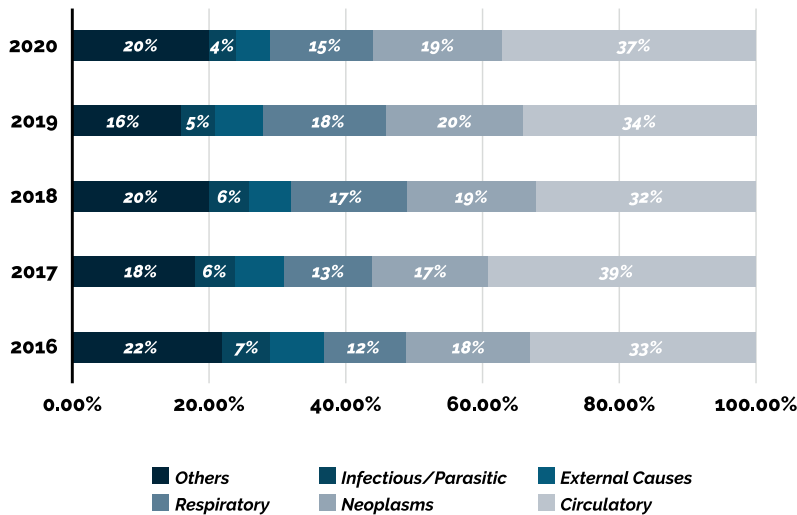
On gender matters, the country has had a period of sustained improvement when compared against African Peers<sup>2</sup>, whereby the country improved its ranking from 9th (2012) to 4th (2021) under women's equality indicator. Such a result is consistent with UN's women country profile, whereby Seychelles performs well against African peers, albeit with significant data gaps.

Domestic indicators show that – on the one hand- gender poverty remains a challenge as illustrated by the MPI Report, with crime statistics showing a rising trend in violence against women whilst on the other hand, unemployment and informality are substantially higher for the male gender.

With regards to Health, as at 2022 the average male and female life expectancies stand at 71.3 years and 75.5 years respectively. Whilst excellent by regional standards, a

trend observed is the growing divergence between life expectancy and healthy life expectancy, whereby the corresponding figures for male and female stand at 61.9 years and 66.4 years respectively.

Chart 1.3: Leading causes of Death in Seychelles, 2016-2020



Such a development is symptomatic of the challenges linked to the prevalence of non-communicable diseases across all age groups, key of which being obesity, hypertension and diabetes.

As highlighted The National Health Strategic Plan (22-26), all data show a steady and increasing trend that should it not be reversed will have significant socioeconomic impact in the future and further worsened by the demographic dynamics.

Things are further aggravated when considering substance abuse –key of which being alcohol and hard drugs- and its impact not only on resource allocation decisions of health, but its impact on society as a whole. To note, the country is ranked globally amongst the highest in terms of alcohol consumption and heroin use, with the MPI evidencing the link between poverty and substance abuse. Of concern to policymakers, is that normalization in society of these ills exacerbate challenges across all

sectors within the economy, all social strata and resource allocation decisions of government. Thus, the trends and social ills call into question the viability of free primary healthcare as is, the burden of accountability of the general public on individual choices and the role of preventive actions in dampening its impact across generations.

Source: National Health Strategic Plan (22-26) – Seychelles

On education, the country has built and maintained its progress in the sector, as illustrated by the 2020 United Nations-Voluntary National Review, which showed that the country has already met targets under the SDGs, where the data indicates equal gender access and high literacy rates. An identified gap lies in the challenge of inclusivity whereby further work is needed to ensure improved access for special needs students. With regards to performance, whilst the country continues to have high enrolment rates and enforce mandatory years of schooling, the output quality from the sector requires improvement as evidenced by the high levels of informality and high youth unemployment. From a time perspective, while pre-school metrics suggest adherence to international benchmarks, declining numeracy and literacy rates level at primary school levels can have ripple effects in the medium run. In the secondary schools, a gap on vocational skills was identified whereby a notable share of graduates into the world of work are seen not to have the required capacity and abilities, and is perhaps symptomatic of weaknesses in STEM subjects and civics within the education system. Such conditions result in further worsening the skills gap, implying the country remains dependent on foreign labour for skilled labour and highly specialized jobs. The latter segment is reflected by the fact that previously identified skills gaps were not explicitly addressed in the previous Human Resource Development Plan.

### 1.3 Economic Conditions

Seychelles has experienced a remarkable growth path following the economic reforms of 2008. Between 2008-2023, the economy grew at an average rate of 4.9%, with only two years of economic contractions recorded. Of note, was the remarkable rebound observed following the pandemic year, which significantly assisted in reducing the debt burden of government and mitigate the risks of deeper fiscal cuts in the medium run. To note, that public debt stood at 48.9% of GDP in 2019 and had reached 77.6% of GDP by end 2020. By end 2023, debt is forecasted at 60.1% of GDP, with government committed to further consolidation mindful of medium run debt targets and the urgent need to grow fiscal space for future expenditures.

The economy is one that is dominated by two sectors, namely tourism and fisheries. For tourism, and as at 2021<sup>3</sup>, "accommodation and food service activities" accounted for 12.2% of economic activity. However, it must be noted that this measure does not factor support and spillover activities linked with the sector. As such, conservative estimate of the sector's actual size is above 25% of total economic output. The sector has been the driver of economic growth and accounts for the largest share of employment and foreign exchange earnings, equivalent to 56.7% of exports in 2023 (US\$854 million)<sup>4</sup>, with preliminary indicators suggesting a more robust recovery path. The sector has pursued a strategy of market diversification and consolidation in historical markets. This strategy supported visitor arrivals growth by an annual rate of 7.6% between 2008 and 2019, where prior to the pandemic arrivals peaked at a level of 384,204 arrivals in 2019. In more recent times, the tourism carrying capacity study highlighted that the sector must move towards low-impact, high-value tourism in view that the country cannot sustain a mass tourism model due to the externalities this model brings. However, much is to be done to ensure that the room composition, policies and standards are reflective of a more sustainable model reflective of the exclusivity and uniqueness aspects we promote. This is considerate of the post pandemic realities in the sector where increased competition through price discounting is evident across the industry, and coming in a period where disposable income levels have dropped globally.

With regards to the fisheries sector, it directly accounts for the bulk of goods exports through canned tuna, which amounted to 54.1% of commodity exports in 2023, equivalent to US\$306 million<sup>5</sup>. The industry has also been a major determinant in maintaining trade structures given that the country has minimal commodity exports other than the abovementioned. The sector is one that faces substantial uncertainty in view of the recent policies under the IOTC regarding regional quotas, whereby no new stock rebuilding plan was adopted for overfished yellowfin tuna and no new management measure was put in place for fishing methods. It is somewhat unfortunate the economy did not fully benefit from this sector in the past, in view of the processing constraints locally, high energy costs and further value addition in the sector not being pursued. At an artisanal level, the gradual decline of skills within the sector coupled with climate change and food security risks require infrastructure investments and the need to seek other sustainable alternatives to stock management. In view of this, sustainable value-added exports and aquaculture development are longstanding areas for growth opportunities in the medium run.

<sup>3</sup> Source: National Accounts Data 2021

<sup>4</sup> Source: IMF Staff Reports – June 2023

<sup>5</sup> Source: IMF Staff Reports – June 2023



## 1 · THE NATIONAL DEVELOPMENT STRATEGY – FROM PILLARS TO PRIORITIES

The financial sector -which is seen as the third pillar of the economy- accounted for 6.3% of output in 2021. In the past, the offshore financial sector was an area of high growth owing to jurisdiction specificities. However, the sector -in view of past weak regulatory oversight- has created institutional and credibility challenges. In light of this, the country strengthened availability, access, and exchange of information by working and engaging with key multilaterals. This included revisions to key legislations such as the Beneficial Ownership Act (2020), Limited Partnerships Act (2021) and amendments to International Business Companies Act (2021). Despite the more recent challenges, the country aims to be compliant with global banking norms and serve as a future financial hub. On the domestic front, more needs to be done to improve access to credit due to low allocation relative to peers and symptomatic of the risk aversion nature in the industry and lower than desired levels of financial literacy within the economy.

The role of technology is one that is critical to the growth outlook of the economy in view of a need for a higher growth path and increased labour productivity. Given the demographic outlook and high reliance on foreign labour, growth in the ICT sector is one that is being prioritized with the Digital Economy Agenda whereby educational capacity, digitization and digitalization policies are to be adopted and aligned to the NDS priority areas. As at 2021, the sector accounted for 4.2% of economic output, implying high growth potential in the medium long run given current quality of the digital infrastructures relative to peers.

With regards to prices, the average inflation rate (2009-2023) stood at 4.6%, albeit with periods of shocks oftentimes via the exchange rate channel. Following the reforms of 2008, the exchange rate was free to adjust to market forces with government gradually implementing liberalization policies over time and removing price controls across multiple sectors. Such policies contributed in reducing off-balance sheet risks of government, increased availability of goods and provided the Central Bank with sufficient foreign exchange buffers to mitigate the impacts of external shocks and ensure government foreign exchange payments. Nonetheless, owing to the country's low resource base, geopolitics and high energy and nutrition dependencies, absorbing and mitigating price shocks remains a challenge to the economy. This is mindful of the fact that policy reaction to future shocks must be more considerate of fiscal sustainability, the acceptance that we are price takers and the need to better manage public expectations of the global economic realities.

### 1.4 Structural Challenges

The success of the NDS will be assessed based on the outcomes of strategies defined in the priority areas, the successful implementation of the enablers and benchmarking performance against international metrics relative to areas of concern. However, some longstanding challenges persist and contribute to the implementation challenge. These challenges are referred to under a generalized term, structural challenges.

Structural challenges can be defined as multi-sectoral and intertemporal conditions that impact policy implementation and cannot be resolved within a single budget cycle or program. Moreover, structural challenges can have severe externalities should they not be mitigated across time. Nevertheless, and despite no explicit cost within the NDS, continuous considerations and analysis will be undertaken over the course of the NDS in addressing these structural challenges.

Three broad overlapping and linked structural challenges were identified. Firstly, the informal economy is a growing challenge that cannot be resolved by simply placing individuals into employment. Its determinants are linked to developments within the education sector, societal wellbeing and poverty levels, youth employment opportunities, the domestic skills gap, employment preferences and stagnant wage growth in specific sectors amongst many other factors. An informal economy worker is likely to receive lower pay relative to formal work and in the long run, is more likely to face conditions of poverty given the lack of pension contributions and potentially, limited financial access. As such, there cannot be a single solution with this structural challenge due the timespan of the factors and the oftentimes-delayed effects of its results over time. In view of this, monitoring its evolution requires a cross-sectoral approach across time.



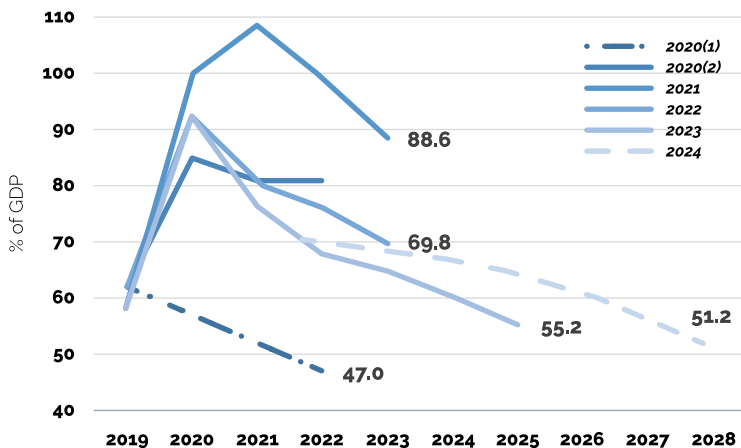
Secondly, the funding gap challenge is directly linked to financing climate change adaptation and mitigation.

From a financial perspective, the government remains committed to reducing public debt back to sustainable levels and maintaining a sustainable wage bill in the medium run. Such a policy narrative is reflected in current baseline fiscal projections, albeit with this structural challenge not entirely factored into the budget.

As climate adaptation measures increase in urgency, the baseline assumption would assume significant cuts to fund the NDC given government's global commitment to mainstream climate change policies within future budgets. In effect, the severity of the funding gap is contingent on global commitments for climate financing solutions.

In the NDS 24-28 context, government aims to seek avenues to sustainably grow the economy at a higher rate through the Transformative Economic Agenda, improve government efficiency to moderate expenditure growth, increase digitization and explore new avenues for economic expansion in the blue economy. In effect, the policies should support increased revenue growth and optimize public expenditures. This strategy can be seen to serve as a contingency measure should external funding fail to materialize to the levels required.

**Box 1.1: Public Debt and External Considerations**

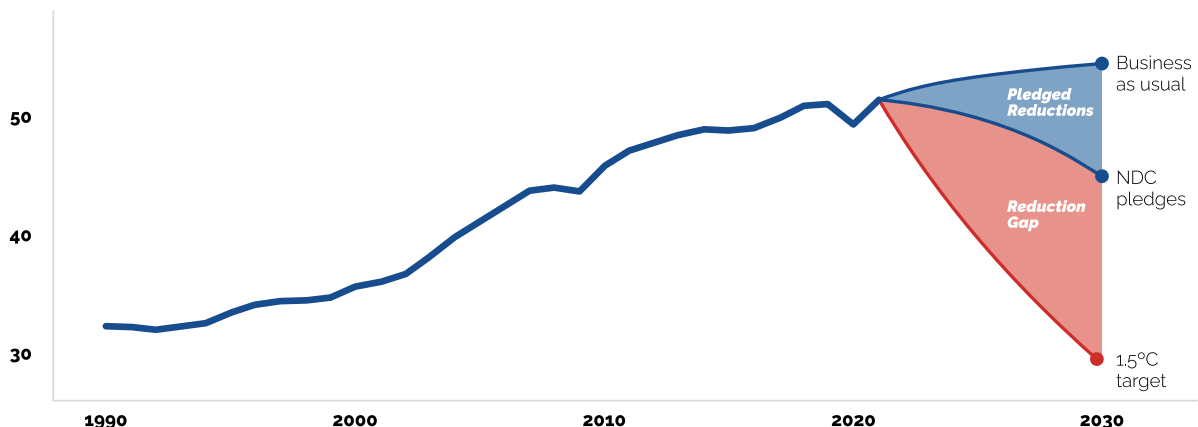


Sources: Budget Books (2020, 2021, 2022, 2023)

The pandemic created substantial uncertainty of future investment as highlighted from the 2021 projections of public debt and rapid readjustments required during the 2020 period. In view of substantial fiscal consolidation and external assistance, as at Budget 2024, debt is projected at 51.2% by 2028, well above pre-pandemic projections.

However, external financing considerations show a significant funding gap for climate financing, with considerable uncertainty in closing the global funding gap and its implications on medium term budgetary considerations domestically.

**Global Greenhouse Gas Emissions, NDCs, and Pathway for 1.5°C Target in 2030 Gigatonnes of CO<sub>2</sub> equivalents**



Sources: IMF Climate Change Indicators Dashboard; IMF-World Bank Climate Policy Assessment Tool; and IMF staff calculations. Note: Excluding land use, land-use change and forestry. NDCs = Nationally Determined Contributions.

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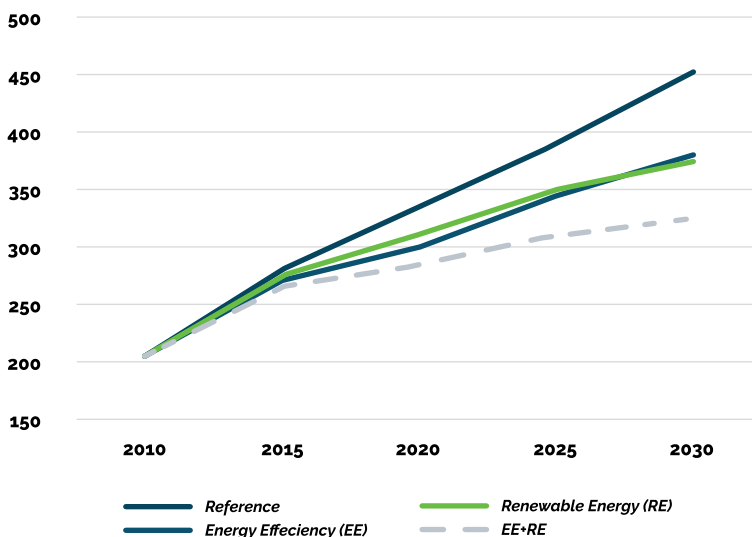
Thirdly and lastly, the demographic dynamics challenge relates to the medium to long run uncertainties of funding social costs linked to how the population of Seychelles evolves. Seychelles has an ageing population and as such, the sustainability of current policies must be considerate of funding social programs –including social security- and mindful of creating generational tax burdens should policies implemented be financially unsustainable. The challenge also has a health dimension whereby the cost of funding primary health care is contingent of the overall health of the population. As things stand, costs associated with treatment of non-communicable disease are expected to worsen further should health trends not ameliorate.

From a holistic perspective and to serve as an example of the complexity of the structural challenges, by not addressing the informal economy challenge implies increasing long run risks of old age poverty and social immobility across generations. Not addressing the funding gap challenge may impact the severity of medium-term expenditure cuts and potentially increase generational tax burdens in the long run. In effect, the structural challenges are not easily defined and quantified across time. However, identification of its root causes was considered as part of the current NDS, with future frameworks to be developed in understanding the financial and policy implications of their evolution relative to policy actions.

**1.5 Trends**

Long run planning requires monitoring deviation from targets and the need to establish the appropriate contingency measures given the risks identified. However, medium to long run planning requires monitoring of key trends such that potential deviations are not seen as a shock but rather a change in underlying conditions that warrant a reassessment of existing plans.

Diagram 1.2: CO2 emissions from renewable energy and energy efficiency targets in the power sector in Seychelles (ktCO2)



**Climate Change and Energy**

Climate change poses considerable threats, and even more so to small island states in the short run. Within the Seychelles context, the most obvious threat lies with a rise in ocean levels in the long run. In the short run, more acute storm surges are likely to impact coastal regions and require immediate adaptation measures.

Other unknowns include the impact on the reef ecosystems, the migratory patterns of fish stocks, infrastructure impacts and security within the EEZ. Moreover, and outside of the country's control, each country will have a unique set of reactions and responses based on the nature of climate change events, which can adversely impact existing trade patterns.

The current policy assumption under NDS 24-28 is that the climate financing gap will be closed in the second half of the decade and therefore, the recommendations made under the NDC will be mainstreamed in the second half of the NDS and the next iteration.

However, this is contingent on the evolving financing space domestically and developments linked to climate financing externally. As such, while NDS 24-28 assumes that climate change measures are mainstreamed into actions, its full implementation is subject to deviations from the trend and commitment levels of addressing the global financing gap.

A key determinant impacting the abovementioned trend is developments within the global energy sector, where the global trend is towards decarbonisation across all sectors. Climate investments are increasing in both the public and private sectors, and renewable sources of energy are displacing fossil fuels at historic rates in many countries.

Seychelles remains dependent on imported energy, namely heavy fuel oil. Under the NDC, the assumption is a reduction in CO<sub>2</sub> emissions to limit climate change effects. Moreover, the country has committed to a share of 15% of energy sourced from renewables by 2030, coupled with a transition towards cleaner forms of grid energy.

Thus, the trend assumes that the country's shift towards renewable energy will be supported not only through multilateral funding decisions and public and private sector investments, but also relative to global energy policies and delivered rhetoric, specifically that of addressing the global climate financing gap, scaling down of non-renewable energy investments and the commitment in attaining the 2030 emissions cut target.

### **Technology, AI and Social Media**

The digital age is characterized by near unlimited access to knowledge, services, news, information, opinions and connectivity across the globe. The pace and scope of progress has been difficult to predict given the developments across multiple fields. In recent times, developments within the fields of robotics, 3D printing, biotechnology and artificial intelligence have supported developments across multiple fields. Of note was the authorization and use of the mRNA vaccines for human use, which unarguably saved millions of lives during the pandemic. Today, mRNA vaccines are being developed to mitigate the risks of future pandemics based on known pathogens. However, technology through the use of social media platforms facilitated the spread of false or subjective truths in its applicability. In effect, truth can now be manipulated and personalized to the individual's needs, and shared thereafter to create uncertainty and mistrust in science and longstanding institutions.

In other areas, the recent progress in openly available artificial intelligence platforms creates a new era, with risks associated with AI advancement now seen as one that is existential. In effect, a technological trend is difficult to establish given the levels of technological disruptions and advancements across multiple fields and how its potential benefits can be outweighed by alternative uses.

From a domestic standpoint, the Digital Economy Agenda is one that will embed technology across more platforms and improve digital infrastructure and skills within the economy. However, the trend with the adoption of increased technology and automation correlates with a rise in cybersecurity risks. Moreover, a worrying domestic trend is the fact that there is limited to no regulations on social media platforms. As such, this has the potential to erode institutional trust through the use of false truths. With regards to advancement in AI, the country needs to not only understand the trends and risks externally, but also how it can impact within a local context and its implications on future labour gaps.

In effect, a technological trend is difficult to establish given the abovementioned conditions. However, it is vital to the success of NDS24-28 that trends are not only understood but also as to how technological disruptions can cause shifts in its benefits and use as well as how technology shapes public behaviour and expectations.

### **Geopolitics**

Geopolitics has long been dominated by Western ideologies and reinforced by multilateral institutions that support inclusive policies, secular values, freedom of the press, freedom of speech and implementing neoliberal ideologies, key of which being free trade. In recent times the emergence of nationalistic and rightwing governments as well as the emergence of greater nationalistic tendencies globally has challenged the current order. In effect, smaller clusters of nations with similar ideologies have taken shape, whilst other organizations –including BRICS– have grown in influence and extol different values from Western ideologies. In effect, these emerging economies and their sociopolitical evolution can influence the future diplomatic norms. Within the Seychelles context and through proactive diplomacy, a “friend to all and enemy to none” policy has been the longstanding diplomatic message and approach to geopolitics. However,



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should trends evolve, it may require some reassessments in the current diplomatic approach. Domestically, the evolution of political trends must also be considered and how external parties and investors interpret its evolution.

Internally, and given the challenges faced, the country must navigate this evolving political landscape mindful of long run objectives, longstanding relations, how external developments shape the domestic political landscape and accordingly, the future diplomatic stance.

### 1.6 Predetermined Conditions

Predetermined conditions can be described as known truths and can be interpreted as fixed conditions or a known evolution across time. It remains uncertain how it impacts other variables and outcomes.

#### Population and Demographic Characteristics

Based on the latest information, the population stands at 100.3 thousand residents and 119.9 thousand individuals inclusive of the expatriate workforce. Latest forecasted resident population for 2030 and 2050 stand at 106.3 thousand and 107.7 thousand respectively. Of note is that the percentage of the population, aged 65 years and above, will increase from 12.0% in 2021 to 21.3 % in 2050. In effect, the country has an ageing population and the dependency ratio is forecasted to decline with time due to a lower birth rate before increasing as a result of an ageing population. As such, the population projection is sufficiently mapped and highlights the urgency in assessing resource allocation over time, key of which being old age care.

However, the demographic characteristics and wellbeing of the population remains uncertain given socioeconomic challenges presented by non-communicable diseases and substance abuse, as suggested in the National Health Strategic Plan (NHSP) 2022-2026. Moreover, labour needs in the long run remains subject to success of policies undertaken in the short and medium run. Thus, while the population projection can be seen as a predetermined condition, the severity of the structural challenge it imposes will hinge on the success of policy measures across time.

#### Land Mass

The total landmass of Seychelles is equal to 459km<sup>2</sup>, spread out over the Exclusive Economic Zone of 1.4 million km<sup>2</sup>. Roughly, 90 per cent of the population reside on the main island of Mahe, which also accounts for over a third of the land mass of the country. Owing to strong conservation policies and the topographic nature of the main islands, a large proportion of land is uninhabitable or costly to develop. In effect, land will remain a constraint across time and requires improved planning consideration as to its use, allocation period and opportunity costs.

As such, the country cannot satisfy all land needs of the various specific activities and therefore must optimize land use allocation mindful of the necessary infrastructure needs and priority areas under the NDS. Increased reclamation will be a policy the government will pursue, albeit with improved planning as to its future use and that land allocation is undertaken with greater environmental and social considerations.

#### International Commitments

Seychelles has made several international commitments, both at a bilateral and multilateral level. These commitments call on Seychelles –as a signatory country- to implement certain actions or policies and to converge towards select numerical targets. Of concern for the NDS, are the UN's and AU's Sustainable Development Goals and Agenda 2063.

- i. The SDGs can be viewed as a generational commitment given its time horizon and comprises of 17 goals with a corresponding 169 sub-targets. The SDGs cover economic, environmental and social development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanisation, environment and social justice.
- ii. Agenda 2063 is a strategic framework for the socioeconomic transformation of the African continent and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development. Agenda 2063 has a total of seven aspirations and multiple sub-targets.





As part of the commitment, the objective is to eventually mainstream all commitments across the government as a means to improve accountability for all stakeholders.

Moreover, the SDG Investor Map identifies concrete and emerging Investment Opportunity Areas (IOAs) to attract private capital impacting the SDGs. The Investor Map is aligned to the priority areas under the NDS and Vision2033.

Diagram 1.3: United Nations Sustainable Development Goals and African Union's Agenda 2063

## SUSTAINABLE DEVELOPMENT GOALS



## AGENDA 2063 *The Africa We Want*





# 2

## National Priority Areas



# 2 National Priority Areas

## PRIORITY AREA 1: A MODERN PUBLIC SERVICE

### 2.1.1 Overview

In the pursuit of a modern public service, effectiveness, efficiency and responsiveness to citizens' needs is paramount. Thus, modernization efforts necessitate the design of public services, policies and programs through trial and error, implementing improvement and ensuring that a data-centric approach is undertaken to better track progress. Credible data empowers government to make informed decisions, map out desired outcomes and address longstanding challenges. Nevertheless, a modern public service cannot be implemented without consideration of the human resource aspect and culture shift needed.

Thus, to better manage public expectations and improve service delivery, technology and data, shaping a public service identity and breaking silos are key priorities. Despite these challenges, Seychelles stands out as one of Africa's top performers in peace and good governance, ranking second in the Mo Ibrahim Index of African Governance for 2022. Significant progress has been made in participation, Rights and Inclusion, attributed to progress free and fair elections and greater freedom of association and assembly.

Recent policy actions have emphasized public engagement through initiatives like the Open Government Partnership. This platform fosters collaboration between civil society, private sector, and government, promoting inclusivity, responsiveness, and accountability. Seychelles, through a multi-stakeholder committee, is working on its second action plan to enhance transparency and good governance. The Access to Information Act and constitutional guarantees under Article 28 have shifted governance paradigms, promoting transparency and openness.

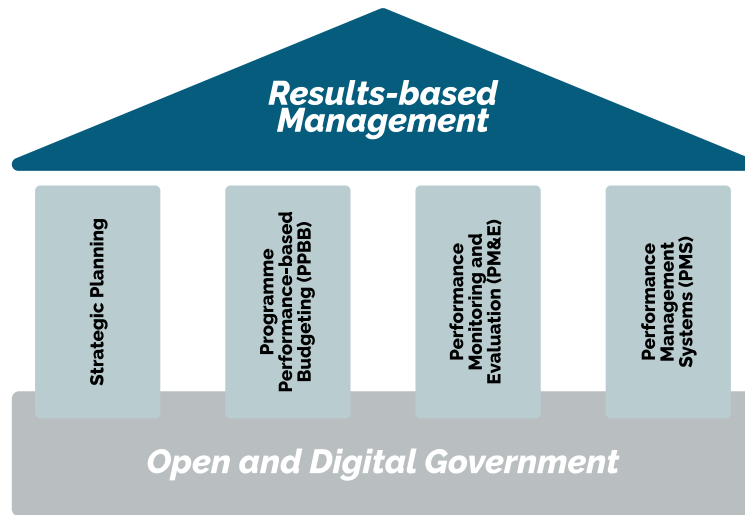
Crucially, technology plays a role in driving good governance. Digital platforms are vital for boosting service delivery and building public trust. Seychelles has undertaken measures to accelerate the digitalization of the public sector, key of which being conducting diagnostics, implementing legal reforms, benchmarking on model countries such as Singapore and technical assistance of development partners such as the World Bank and UNDP. A high-level steering committee, chaired by the Minister of Finance, National Planning, and Trade, has been set up to develop the digital economy. An action plan, centered on five key pillars, supports sustained economic growth in the digital sector. Online portals and mobile apps to enhance accessibility, efficiency, and responsiveness of public services are deemed critical. Such an approach is mindful of the need to derive the optimal structure of government, budget sustainability and the implications of the evolving socioeconomic conditions and resource allocation decisions.

In 2013, the Cabinet of Ministers approved the Results Based Management (RBM) policy aiming to enhance the effectiveness and accountability of the public sector. The RBM Framework provides a structure for governance, emphasizing strategic management and data-driven decision-making. It was fully rolled out in 2022 as government acknowledged the need to optimize public spending to bridge the gap in public service delivery, emphasizing transparency and openness as critical to the implementation of the RBM framework.

In addition, in promoting a performance-based accountable and transparent public service, government seeks to ensure a leaner and more efficient civil service, whilst adopting strategic human resource management. Consequently, this will necessitate a move away from the traditional management approach to that of a strategic style based on planning cycles and aligning policy deliverables. The diagram below illustrates the Results-Based Management Framework.



Diagram 2.1: Results Based Management Structure



**2.1.2 Outcomes**

Outcomes	Strategies	Implementing Agencies
<b>1.1: A performance-based, corruption-free and accountable public service.</b>		
	1. A performing and accountable public service.	PSB, MoFNPT
	2. A corruption free government.	ACCS
	3. Effective management of public finances.	MoFNPT
<b>1.2: An established and operational public sector college to address human resource gaps and instill a culture of lifelong learning within public sector.</b>		
	1. Public Sector College established and operational.	TGMI
<b>1.3: Increased access and efficiency of government services.</b>		
	1. Increased access and efficiency of online government processes and services.	DICT
	2. A transparent and inclusive government.	OGP Secretariat

**Outcome 1: A performance-based and accountable public service**

In an effort to promote a performance-based and accountable public service, the government has fully rolled out the Results Based Management (RBM) Framework. The RBM policy laid the foundations of a robust framework to enable a shift from traditional public-sector management to results-oriented management. The shift requires a mindset change towards greater accountability by both the public institutions and individuals working in the public service. Moreover, the RBM process required a more strategic approach in budget delivery, requiring the use of common structures and increased long run planning.

In light of this, to ensure change management, continuous training will be provided to all public servants with the hope of instilling a results-oriented culture and to address identified capacity gaps within government. Implementation of the RBM will further provide a framework that benchmarks strategies of the institution, finance provided to do so and the monitoring and evaluation framework to ensure its success.



## 2 • NATIONAL PRIORITY AREAS

The integrated RBM system is made up of four key components that provide the necessary framework for planning, implementing, monitoring and reporting on organisational performance, and linking organisational performance to personnel performance. The components are:

- **Strategic Planning**
- **Programme Performance Based Budgeting (PPBB)**
- **Performance Monitoring and Evaluation (PM&E)**
- **Performance Management System (PMS)**

The planning process and full roll out of RBM has illustrated the need for common structures across government and the identification of common skills gap within and across ministries. In light of this, greater emphasis shall be undertaken in addressing said gaps and standardizing common processes and operations. In view of this, specific capacity building courses shall be used as a means to boost productivity within government.

Long run planning requires anchoring of short run price stability and sustainable fiscal budgets in the medium run. In light of this, government policies must be mindful of long run budget allocations required in addressing risks and structural challenges. This cannot be undertaken without anchoring specific budget rules that must ensure a more strategic approach of resources is undertaken.

To enhance efficiency, remuneration will be performance-driven, through establishment of the Performance Management System pillar within the RBM framework. The pillar also promotes continuous development of public servants, where government will support this through investments in the development and training of public servants. As such, government is committed to the establishment of a Public Sector College, with the objective of training workers in the public sector. The College will equip workers with the necessary skills and knowledge to deliver a modern, effective public service.

This will encourage a culture of continuous monitoring and evaluation for improvement. Public services will regularly be reviewed and adapted to meet the changing needs of citizens which can help to ensure that they remain effective and relevant in a rapidly changing world. Additionally, a customer-centric approach needs to be adopted. Complementing the numerous efforts made to date, this will ensure that the needs of the citizens will act as the cornerstone of decision-making. Outcome 2: An established and operational public sector college to address human resource gaps and instill a culture of lifelong learning within public sector.

A high performing and efficient public sector requires skilled, motivated and responsible employees. In order to do so, staff must not only be empowered but understand their role within an organization and the direction the organization is undertaking. To facilitate the successful transformation towards a more modern public service, government is working towards establishing a public sector college. The Public Sector College will demand a change of culture to drive the process, in addition to providing public servants with the technical capacity needed for future deliverables.

The establishment of this college will further seek to address the persisting human resource gap as we strive towards sustainable development. This will entail equal and equitable access to lifelong learning opportunities for public servants. A holistic approach will be adopted, with a partnership between public and private sector through the Public sector College. It will ensure that the people are provided with the relevant skills for employability as well as encourage the development of engaged citizens.

Government bodies will strive to uphold the practice of collaborative working where collaboration is encouraged and partnerships between different government departments, as well as between government and non-government organizations, can help to improve the delivery of public services and increase their impact. Seychelles is currently engaging with government counterparts such as the United Arab Emirates and Singapore to learn of best practices to develop and institutionalize a model suited for our small island state.

### **Outcome 3: Increased access and efficiency of government services.**

Digital improvements and innovation remain key for economic diversification and increasing productivity in Seychelles. Within a policy context, the digital economy plays a central role in implementing the Results-Based Management (RBM) framework.

Moreover, the outbreak of the pandemic has reinforced the need to accelerate actions within this domain to better adapt to these new realities. In light of this, the Digital Platform Pillar, a pillar of the Digital Economy Agenda, focuses on the digitalization process of government services. The government aims to ensure the presence and use of digital platforms that can support greater digital exchange, transactions and access to public and private services online.

Going forward, government has committed to develop a yearly list of prioritized flagship e-government projects to be undertaken in a given year in consideration of available human resources and fiscal constraints. This will in turn address the capacity constraints faced by the Department of Information and Communication Technology. Simultaneously, to ensure an adequate human resource pool of personnel in this domain, the government is in the process of developing a Human Resource Plan to address gaps in specific sectors. Additionally, to stimulate growth in the public sector, numerous projects would be outsourced to the private sector to boost growth in this sector.

## **PRIORITY AREA 2: THE TRANSFORMATIVE ECONOMIC AGENDA**

### **2.2.1 Overview**

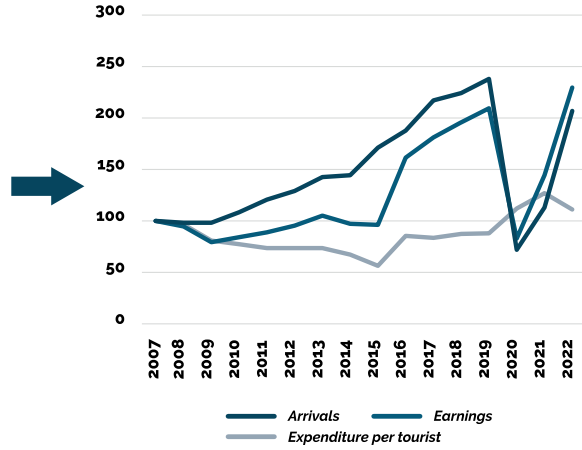
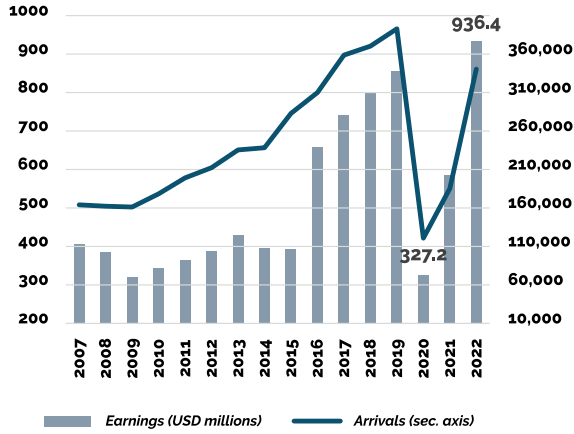
As things stand, the three pillars of the Seychelles economy are tourism, fisheries and the financial sector. This is not expected to change in the short to medium run, with each segment facing its unique albeit interrelated challenges.

The tourism sector, coupled with ancillary and spillover activities, has been the historical driver of economic growth in the post-independence era. More recently, the accelerated growth of the sector following the adoption of open sky policies and later, the liberalization of the economy in 2008, have resulted in substantial growth in not only high-end support services but also an increased dependency on foreign labor in view of high demand and the domestic skills gap. Furthermore, the sector ensured that construction related activities were buoyant post-2008 in view of the large and medium scale sized projects that followed into the sector. This is further evidenced by the fact that the sector has been the primary source of foreign direct investment as well as the largest single source of direct and indirect employment.

In effect, whilst the country has significantly benefited from the tourism sector, overreliance and a lack of sustainable economic diversification has aggravated economic risks, as evidenced by the effects of the pandemic, whereby borders remained shut and the country suffered due to criteria of travel that were beyond the country's influence. Moreover, the current economic model of the sector has potentially reached a stagnation point, with added risks to infrastructure capacity potentially outweighing any additional marginal benefits the sector may bring from additional market diversification. This position is supported by the Tourism Carrying Capacity Study, which highlighted the impact on supporting infrastructure and the merits of a moratorium in the short run subject to greater analysis by key stakeholders and policymakers. Externally, the post-pandemic world has resulted in declines in disposable income, a more discounted tourism market as countries aggressively attempt to claw back past market shares, and risks imposed by potential carbon taxes adding to the travel cost premium. Nonetheless, the sector is and shall remain the main source of economic activity for the near future, albeit with greater considerations of the resources needed to support any marginal growth, and a need to improve its integration within the local economy.

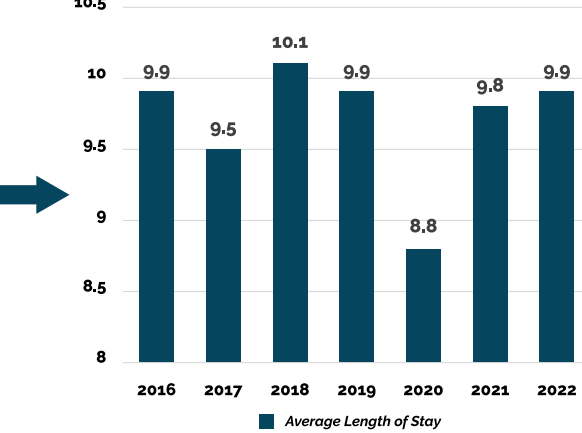
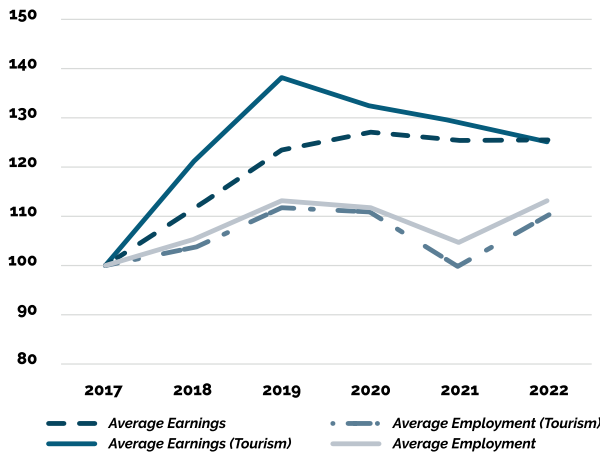
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Box 2.1: Tourism Dynamics



Following the pandemic, a sharp rebound in arrivals were recorded, with levels forecasted to be above pandemic levels by 2025. Moreover, a record level of earnings was recorded in 2022.

Of note however, is that expenditure per tourists remains just 11% above 2017 levels, with trend indicating a decline is expected as the global market normalizes post-pandemic and recent shocks are normalized. (data indexed, 2007=100)



Of interest is the declining trend in earnings (wages) of the sector with recent post-covid rise in labour demand in the sector not translating into impact on earnings. The dependence on an expatriate workforce facilitated the recovery process but in future, may contribute to wage stagnation within the sector. (data indexed, 2017=100)

The sector faces a sustainability challenge given the high volume of goods used in the sector creating externalities on the economy. Of interest is that length of stay data suggests that expenditure per day per tourist remains a challenge.

Sources: National Bureau of Statistics, Central Bank of Seychelles



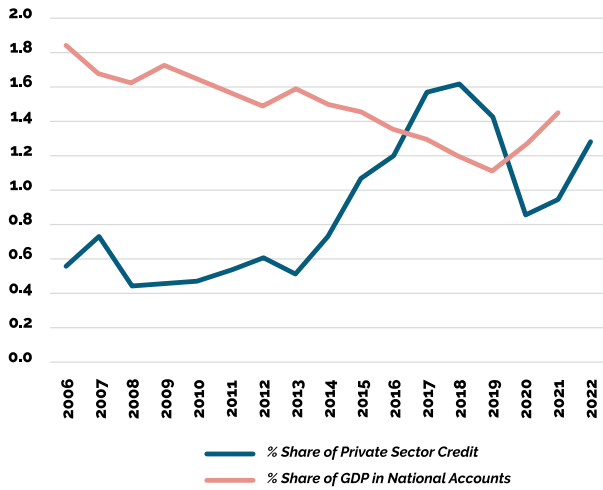
The pandemic also highlighted the importance of the fisheries industry whereby canned tuna exports ensured a base level of foreign exchange inflows. However, in the medium to long run, sustainability of the sector as it remains uncertain. In more recent times, external factors in the form of regional quotas imply that greater value addition and management from this natural resource is needed. Moreover, climate change risks add an element of uncertainty to any long run projections and thus, sustainability of any current policies. In light of this, concerted efforts have been made in recent times in terms of resource management, as evidenced by the Seychelles Marine Spatial Plan (SMSP) and the upcoming Seychelles Tuna Fishery Management Plan. Thus, sustainable value addition and the need to seek other forms of sustainable returns from the Fisheries and Blue Economy are essential. From a local context, artisanal fisheries has been provided a major boost in recent times owing to improved infrastructure support. However, the demographics of workers in the sector indicate that this form of fisheries is facing a slow decline given the low replacement rates and more needs to be done in the long run to better promote the sector and that of blue-collar professions with high earnings potential.

The sustainability factor is one that not only impacts fisheries but one that has significant impact on trade dynamics in the medium to long run. Reduced shipping connectivity is a risk should trade exports decline, with outdated air and sea-ports further exacerbating inefficiencies to the trade process over time. These conditions impact transportation costs on the economy and as such, impact landed prices for consumers.

The abovementioned is considerate of the fact that food security remains a major risk given the reliance on imports, more so when considering that current agricultural models can be seen as outdated, heavily reliant on subsidies and face price competitions from external markets benefiting from better economies of scale. Therefore, while unchanged trading patterns offer the country some security in the short to medium run, the risks to food security was and is ever-present given the implicit link to the fisheries sector. It has to be noted that whilst nutrition sovereignty remains aspirational given the openness of the economy, significant considerations must be taken to transition to a modern and sustainable form of food production after more than two decades of stagnation in the sector to mitigate any declines in future exports.

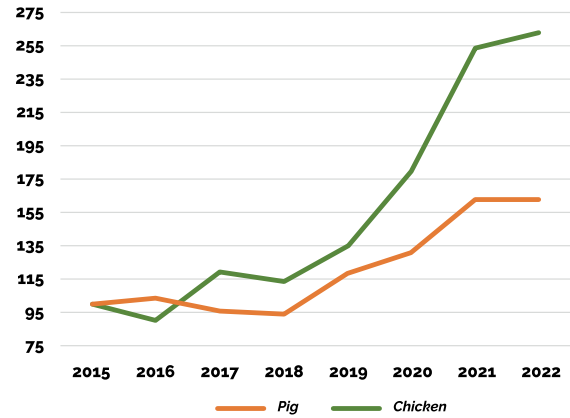
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Box 2.2: Agriculture Dynamics

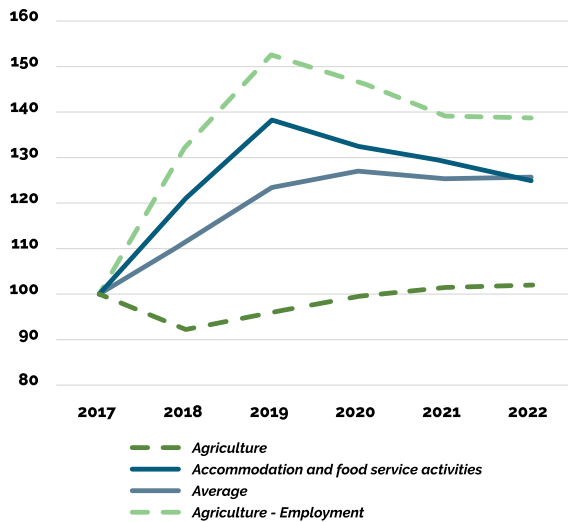


The sector is characterized by historically low levels of investment from the private sector, with share in national accounts following a declining trend. Recent policy efforts increased investment over the previous decade, albeit in a structure supported by substantial subsidies in place.

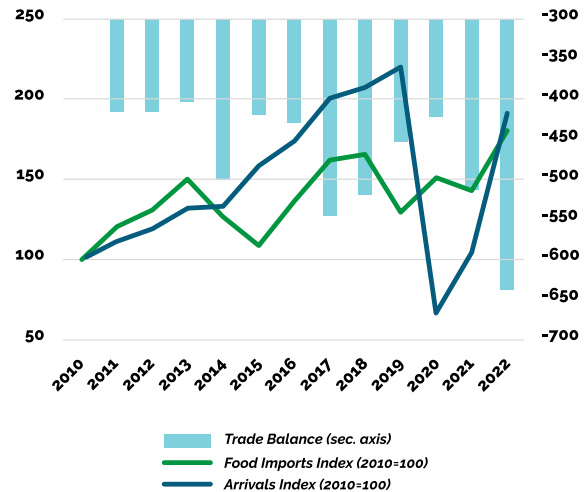
Agricultural Production (2007=100)



In view of food security fears, production ramped significantly in 2020. However, due to additional subsidies following the price shock observed in 2021, the sector cannot maintain future production increases without cost on government in view of weak competitiveness and an unchanged economic model, including policies on animal feed subsidies. The latter was adjusted to exclude the Ukraine-Russia price shock on feed.



Moreover, between 2017 and 2022, average earnings in the sector increased by 1.2%, compared to tourism and country averages of 25% and 26% respectively. This is in part due to the high labour demand, which increased by 39% over the period and suggesting that output has been driven by availability of cheap labour. (2007=100)



It is clear that there is a trend with growth in tourism and food-related imports. However, despite significant production growth and sticky wages domestically, the country remains increasingly reliant of food imports as illustrated by the worsening levels of food imports, which peaked at US\$638 million in 2022.

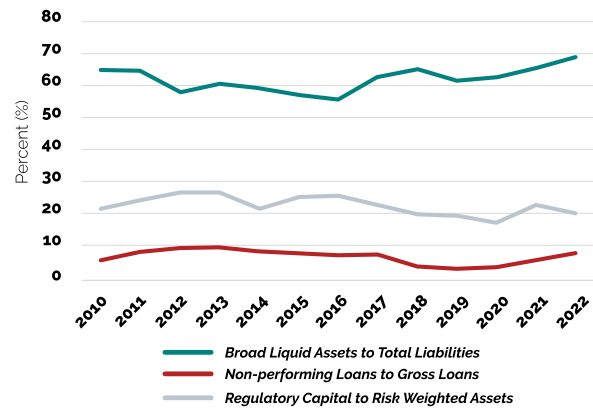
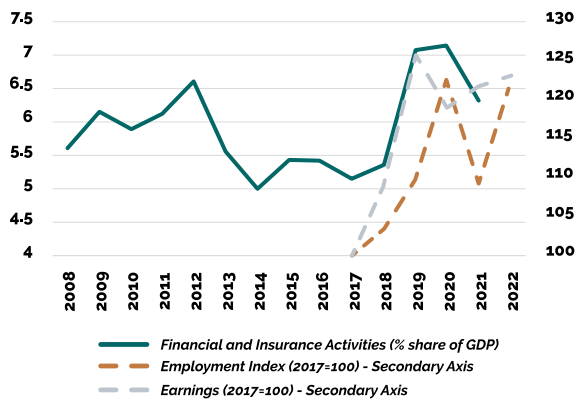
Source: National Bureau Of Statistics



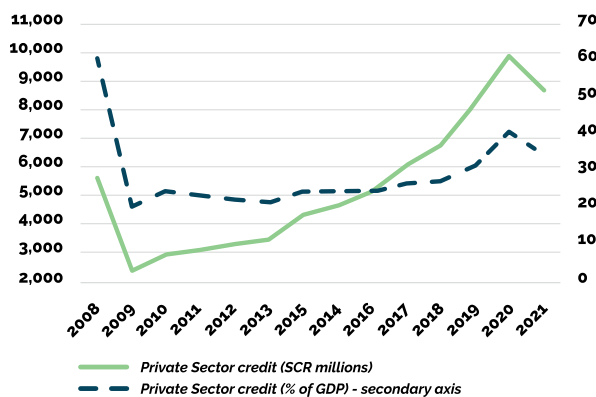
The financial sector is seen as the third pillar of the economy, with key metrics indicating high levels of financial inclusion and access to financial services. However, financial intermediation, more specifically credit allocated to the private sector, is somewhat lagging relative to economic peers and suggest additional scope for private sector investment. Moreover, a conducive savings environment is needed in the long run given the aforementioned demographic challenge and the need to facilitate conditions for improved savings.

Historically, credit composition indicates that the tourism sector accounted for the largest share of credit allocation to the private sector. Thus, improved innovation within the financial sector and investment into new sectors will be required should diversification be the desired outcome. This however cannot come at the expense of price and financial stability, and mindful of the fact that financial literacy and the entrepreneurial spirit requires improvement within the local market.

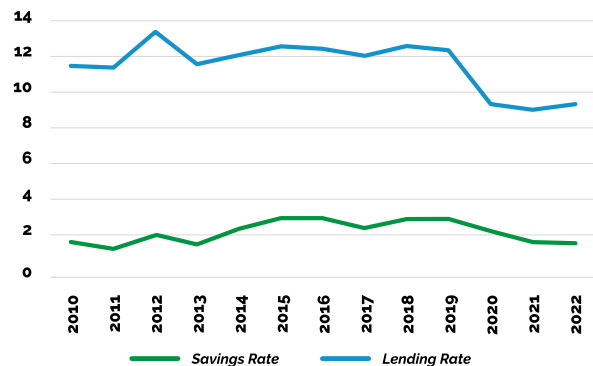
Box Chart 2.3: Financial Sector Developments



The Financial sector has experienced rapid growth in recent times, as evidenced by a sustained demand in labour and increase in wages over the sector. In 2022, the sector held the highest average earnings when compared to other sectors.



Based on standard international metrics, the banking sector remains highly liquid and well capitalized. Owing to the strong financial support, non-performing loans remains within acceptable norms despite the pandemic effects. The market remains well supervised with substantial effort undertaken in modernizing the sector.



However, private sector credit as a percentage of GDP is below desired levels, with increase post-2008 driven by credit allocated to construction and tourism. However, credit demand and allocation remains weak in priority sectors.

Additional effort is needed to reduce the interest rate spread by mitigating risks on the sector, reducing information asymmetry, and improving market competition financial literacy. The latter is critical given the low deposit rate environment and improving conditions for depositors.

Source: Central Bank of Seychelles Statistics

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### 2.2.2 The Transformative Economic Agenda (TEA)

The TEA is defined as “an Inclusive and Sustainable Economic Strategy to Deliver Transformational Change”. The TEA prioritizes three sectors, namely tourism, agriculture, and the Fisheries and Blue Economy with the desired outcome being sustainable economic diversification supporting a higher growth path.

The outcome of sustainable diversification is not a new concept but rather a longstanding objective of the country. Under the previous NDS iteration, desired outcomes included a more conducive business environment, improved infrastructure, enhanced use of digital platforms and increased import substitution. The outcomes were reflective of the challenges faced by the economy whereby there was an overreliance on tourism, substantial import dependency and a lack of sustainable exports, with limited value addition in the manufacturing sector to potentially support greater export volumes, amongst others. Such outcomes are integrated as part of the agenda but are embedded and seen as cross-cutting measures and enablers.

In the current iteration of the NDS, the diversification and productivity challenges remain, albeit with greater acknowledgement that some aspects are longstanding and structural in nature. As a result, comprehensive analysis is still needed to better integrate economic activities. This is mindful of the fact that dynamic resource gap analysis as well as external factors need greater consideration, key of which being the role of private sector investment. Moreover, sequencing of policy measures across sectors require greater understanding by key stakeholders to ensure policy inclusivity and more efficient use of limited government resources. This is highlighted by the fact that culture and silo mentality were identified as key challenges within the public service, which may hinder the implementation of the Transformative Economic Agenda.

With regards to the private sector, an improved business environment, efficient public services, opening new sectors for investment and better management of expectations are critical to the successful implementation of the Transformative Economic Agenda.

It is with these considerations that the three sectors were deemed as priority areas, with barriers identified as a means to improve the likelihood of a successful outcome and mindful of lessons learnt following the pandemic. Policies under the TEA remain cognizant of the strong environmental culture and of the country's long run commitments under the SDGs and Agenda 2063. In addition, critical enablers and supporting mechanisms were identified with the assumption that they will improve the likelihood of the successful implementation of the TEA by narrowing the gaps, streamlining investment and addressing cross-cutting challenges.

**2.1.2 Outcomes**

Outcomes	Strategies	Implementing Agencies
<b>2.1 Tourism: Increased yield from the sector</b>		
	1. Product and pricing strategy focused on increasing yield	Tourism Department
	2. Grow visibility and awareness of Seychelles across all markets thereby increasing demand for the destination	
<b>2.2 Tourism: A more sustainable, resilient and integrated Tourism model achieved through product enhancement, capacity building, diversification, and market differentiation.</b>		
	1. Implement enhanced green, responsible and sustainable tourism practices through the adherence to standards, including the SSTL	Tourism Department
	2. Increase qualified and trained local talent in the industry	
	3. Monitor and enhance standards of businesses available to visitors and within the tourism industry.	
<b>2.3 Agriculture: Improved food and nutrition security coupled with economically sustainable import substitution.</b>		
	1. Increased sustainable production in the agricultural sector and improved integration within the economic value chains.	Agriculture Department
<b>2.4 Agriculture: Appropriate short- and medium-run structures and mechanisms established in support of sustainable and economically viable forms of agriculture.</b>		
	1. Develop land allocated for Agricultural development.	
	2. Facilitate and improve access to irrigation water to farmers	
	3. Improve credit allocation through the ADF and enhanced financial literacy of farmers	
	4. Reduce the negative effects of pest and diseases on agricultural production	
<b>2.5 Fisheries and Blue Economy: Increased sustainable value-addition and product diversification.</b>		
	1. Implement sector governance and management of fisheries resources by undertaking maritime resource assessments	Fisheries Department
	2. Promote sustainable Trade and build capacity in the sector	
	3. Develop the Fish Processing Zone and other fisheries related infrastructures	
<b>2.6 Fisheries and Blue Economy: A thriving and sustainable Blue Economy sector supporting increased job creation and improved economic efficiency and revenue generation.</b>		
	1. Develop aquaculture	Blue Economy Department
	2. Explore and develop Extractive Industry (Non-living resources oil, gas and other minerals) in our EEZ	
	3. Exploration of the Extended Continental Shelf-ECS	
	4. Maximize Revenue from Research in the ocean space and sale of data captured	
	5. Develop the Circular Economy, using by-products & waste from fish transformation and other sectors in the economy	

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### TOURISM:

- 1.1 Increased yield from the tourism sector.**
- 1.2 A more sustainable, resilient and integrated Tourism model achieved through product enhancement, capacity building, diversification, and market differentiation.**

The sector places emphasis on two key strategies. Firstly, is to add to improve its value addition in the economy by increasing overall revenue from the sector. In the short to medium run, and given the pandemic effects and shock to disposable incomes from source markets, the sector aims at having earnings above the pre-pandemic level peak of 2019 by 2025. As such, earnings growth per tourist is expected to remain sticky in the short to medium run. Over the NDS duration, key stakeholders are expected to integrate new tourism activities and related areas as a means to expand expenditure beyond the hotels and better integrate new activities within the sector. Moreover, the marketing and diversification strategy will be intensified as a means of tapping into new markets as well as consolidate past gains.

Secondly, the environmental and socio-economic costs of tourism is one that needs further attention, mindful of the country's climate change adaptation and mitigation measures. Therefore, building a sustainable, resilient and better integrated tourism sector through product enhancement, diversification and differentiation is identified as the second strategy. From a socio-economic perspective, it is of note that increased employment of locals is seen as a priority owing to the high demand of labor in the segment and leakages observed over the past two decades. However, such strategies must not compromise on the quality of service delivery, with the aim of further improvements in human capital and the need to ensure appropriate quality control mechanisms are in place to measure progress within the industry. From an environmental perspective, due to the impact the sector places on existing infrastructures, further effort is needed to reduce the footprint of the sector. This is in due consideration of the sector's level of waste production and the importance of the sector in implementing increased sustainability measures without compromising quality. As such, increased adoption of the Seychelles Sustainable Tourism Label will assist in addressing some of the negative externalities of the sector while simultaneously encouraging positive aspects such as conservationism to be better integrated as part of the tourism model.

### AGRICULTURE:

- 1.3 Improved food and nutrition security coupled with economically sustainable import substitution.**
- 1.4 Appropriate short- and medium-run structures and mechanisms established in support of sustainable and economically viable forms of agriculture.**

As part of the country's proposal for the United Nations Food Systems Summit, Seychelles has committed to attaining ambitious targets of self-sufficiency in livestock production and carbohydrates by 2030. Whilst the concept of increased food sovereignty is one that continues from the previous NDS, the pandemic and the Ukraine-Russia war highlighted the risks of food security and the urgency of adopting a different model to agriculture. The onset of the pandemic lockdown in 2020 saw an exchange rate shock as well as heightened uncertainty due to reduced shipping and aviation linkages. These events led to additional uncertainty as to how dampened demand locally would impact terms of trade. The initial onset of the war highlighted the impact of commodity price shocks, dynamic effects of global geopolitics and the potential for escalating costs via the import channel. The war also highlighted the need in mitigating the impact on the most vulnerable groups of society domestically, albeit at a period of reduced fiscal space following the pandemic. In the long run, climate change uncertainties and potentially, geopolitical events imply that all of the above will happen on a more frequent basis, with supply-side disruptions becoming more frequent.

As things stand, the current economic model in the sector will not achieve the desired targets by 2030 owing to structural rigidities within the sector, key of which being a lack of value chain synergies, lack of standardization of products, sub-optimal infrastructure, low levels of financial literacy, heavy dependence on subsidies and limited market clearing mechanisms amongst many others. In effect, government subsidy structure has facilitated the adoption of low-scale and subsistence level farming models by most players, with the model providing limited investment and expansion opportunities. In light of this, the second critical outcome concerns structural changes and policy revisions that need to be adopted to ensure its sustainable economic viability in the long run. Nonetheless, external competitiveness and import dependence of the factors of production imply that a long run approach is needed. This is mindful of the need to adjust domestic consumer preferences, updating human resource capacity in the sector and building the optimal infrastructure amongst others. As such, the emphasis of the sector in the short run is about building the necessary capacity to ensure an optimal model is implemented that is both economically viable and sustainable.

In light of the above, no immediate increase on current production levels is expected given the need for sustainable policies. Rather, emphasis is on the implementation of policies facilitating the desired changes in the long run. This includes the preservation and reserve of agricultural land, enhancing biosecurity measures and formulating the appropriate incentives and structures to facilitate a transition towards modern, sustainable and economically viable practices in the sector.

## **FISHERIES AND THE BLUE ECONOMY:**

**1.5 Increased sustainable value-addition and product diversification.**

**1.6 A thriving and sustainable Blue Economy sector supporting increased job creation and improved economic efficiency and revenue generation.**

The segment is pursuing two broad strategies. The fisheries sector is one that seeks to increase value-addition & diversification whereas emphasis for the Blue Economy is to develop sustainable emerging sectors. The outcome from the country's Voluntary National Review (2020) indicated that the country is trailing in not only the sustainability of its fish stock but also in that of unreported fishing. Mindful of the former, the country aims at expanding its fisheries exports supported by the development of the fisheries processing zone. This is expected to increase the number of employment opportunities and open new areas for investment. At artisanal and semi-industrial levels, government will continue to improve and maintain regional infrastructures as a means to entice future employment in the market segment.

However, sustainability remains a risk and as a means to mitigate said risk, the sector Harvest Strategy Policy And Management Standards was launched in 2023. Key areas of focus under the standards are to ensure sustainable harvest and management models within the sector. Mindful of the uncertainties of climate change, development of the aquaculture sector remains a priority, with the target of catering to high-end exports. By 2027, the sector expects five species of fish to be farmed and potentially primed for exports.

In regards to the Blue Economy, the country remains committed to terms under the Marine Spatial Plan, with five 'High Biodiversity Protection' and eight 'Medium Biodiversity Protection and Sustainable Use' Zones mapped. However, owing to the vast size of the exclusive economic zone and the sizeable funding gap needed to attain long run targets, government will undertake the necessary steps in assessing all resources with the oceanic zone. As such, a key strategic intervention in the sector is to explore and develop extractive industry, albeit mindful of the risks imposed by the sector and the needs of exploring avenues for future climate funding needs. Other avenues include the marine biotechnology industry and research areas for potential growth of biotechnology and pharmaceutical sectors.



## PRIORITY AREA 3: A HEALTHY NATION

### 2.3.1 Overview

Seychelles features amongst the top African nations to achieve a high ranking in the 2021 United Nation's Human Development Index (HDI). This is largely attributed to the country's universal health access and its full enrollment rates in primary school education. Despite its high HDI score, challenges remain in addressing a number of social determinants of health. Without appropriate and timely solutions, the impacts of such social ills may be detrimental to the country as a whole. Although efforts have been made to improve the health and wellbeing of the Seychellois people, there has been an increasing emergence of infections namely, HIV, Viral Hepatitis, and pneumonia. From a long run and structural perspective, a similar development is observed for chronic non-communicable diseases such as diabetes, hypertension, cancer, and cardiovascular disease, which are often enough caused by common modifiable risk factors which include tobacco, harmful use of alcohol, unhealthy diet, insufficient physical activity, overweight/obesity, raised blood pressure, raised blood sugar and raised cholesterol.

These challenges are explicitly laid out in the National Health Strategic Plan (2022-2026) and illustrates a grim outlook should the status quo persist. The growing list of challenges, namely the lifestyle-related diseases, have created additional socioeconomic burdens and in the long run, will require substantial funding should past Health gains be maintained and using a status quo approach. Given the structural nature of the challenges and the acknowledgement that the burden is not purely borne on the health sector, the concept of "a Healthy Nation" incorporates all stakeholders. It is in an attempt to mitigate the impact of the current conditions and ensure that preventive measures are embedded in the short and medium run to reduce long run impacts.

Promoting a healthier population requires improving both the physical and mental health to ensure the wellbeing of individuals. This can be extremely challenging, as it requires collective efforts both within and outside of government. The challenge is exacerbated given the age profile of the country. With an ageing population, the percentage of individuals aged 65 years and above are expected to reach 13.1% in 2030 and 21.3% in 2050. This gradual shift towards an ageing population is expected to increase the demand for health, social care and the finances of government. Should the underlying factors not be mitigated when it comes to lifestyle-related diseases, the impact is likely to accentuate. Adding to the complexity of the inter-generational challenge is the obesity rate, whereby one in three children are classified as obese, and is indicative of a more than a tripling of levels observed in 1999. In effect, this generational factor will only worsen over time and likely lead to an increase in lifestyle related diseases over time and thus, will require reallocation of Health resources.

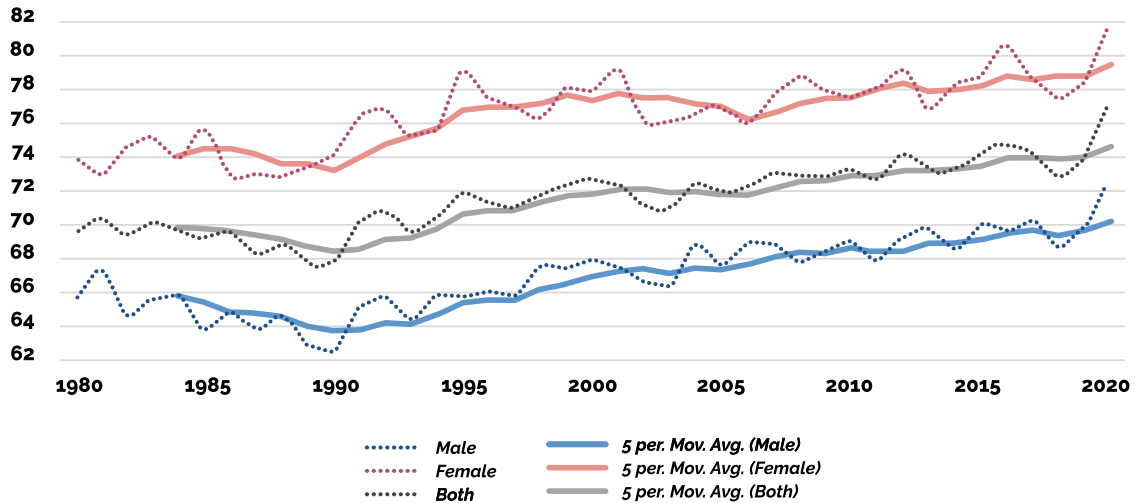
In more recent times, the COVID-19 pandemic has not only created pressures on the country's healthcare system but has also revealed key weaknesses and presented opportunities for improvements within the health sector. Given the strain experienced, the Health sector admirably coped with the additional stress, albeit highlighting how much of a challenge the country faces given the increased public awareness of the level of underlying conditions.

As we dawn onto the post-COVID-19 world, the importance of investing in people, particularly in the health and wellbeing of our people, remains critical. Consistent with Goal 3 of the 2030 Sustainable Development Goals and the Agenda 2063, which is focused on the promotion of good health and well-being, the country continues to perform its utmost in order to win fights against all major diseases. As is oftentimes said, "A healthy nation is a wealthy nation", which essentially means a healthy, productive population forms the foundation of the country's sustained growth and prosperity.





Diagram 2.2: Life Expectancy 1980-2020



Source: National Health Strategic Plan 2022-2026

Fundamentally, the NDS 2024-2028 emphasizes the importance of having healthy citizens which effectively translates to having a healthy and productive workforce required to build a strong and resilient economy and ultimately, a better future for generations to come by mitigating the risks imposed of generational tax burdens. This strategic priority strives to address longstanding challenges and as articulated in the National Health Policy 2015, progress towards the achievement of the national vision for health is the **“attainment, by all people living in Seychelles, of the highest level of physical, social, mental and spiritual health and living in harmony with nature”**.

2.1.2 Outcomes

Outcomes	Strategies	Implementing Agencies
<b>3.1: Increased life and healthy life expectancy with decreased key risk factors for health</b>		
	1. Promote healthy living for all age-groups and address risk factors for priority diseases.	All public sectors and private partners and NGOS through HiAP Platform.
	2. Revitalise Health-in-All Policies	
	3. Promote good mental health and prevent and manage substance abuse disorders.	
	4. Implement One-Health Approach	Agriculture, Environment, Fisheries, Community development, DRMD
<b>3.2: Improved Quality Health Services Nationwide</b>		
	1. Improve health services through implementation and monitoring of PHC Package	Ministry of Health
	2. Improve secondary and tertiary care through implementation of a quality improvement initiative	
<b>3.3: A well-performing health system</b>		
	1. Implement eHIS.	Ministry of Health
	2. Develop and implement a Human Resources for Health Strategy	
	3. Ensure sustainable financing for health	



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### **Outcome 1: Increased life and healthy life expectancy with decreased key risk factors for health**

While life expectancy has trended upwards over the past few decades, there is a growing divergence between life expectancy and healthy life expectancy. This implies more resources will be needed for old age care should lifestyle and demographic trends persist. This objective aims to close the gap between life expectancy and healthy life expectancy. Closing the gap between life expectancy and healthy life expectancy is an important goal for improving overall well-being and reducing the burden of disease and disability. This requires a multifaceted approach involving governments, healthcare systems, communities, and individuals. Collaboration and sustained efforts in these areas can help improve the overall health and well-being of populations.

This objective also ensures to reduce factors, condition, or behaviour that increases the possibility of getting a disease or injury. It emphasizes the importance of taking proactive measures to prevent diseases and health issues from occurring in the first place, rather than relying solely on treatment after an individual becomes ill. The aim is to create a conducive environment, which encourages healthier lifestyles, supports the well-being of individuals, contributes to the reduction of risk factors for health and aims at addressing social ills. It is critical to recognise that there are other facets of society as well as the health services that bear responsibilities for lowering health risk factors. Addressing these key risk factors for health requires a comprehensive and multi-pronged approach involving individuals, healthcare systems, public health agencies, and policymakers. "Health in All Policies" (HiAP) is an approach to public policy development that recognizes the influence of various non-health sectors on the health and well-being of individuals and communities. It seeks to integrate health considerations into the decision-making processes and policies of all sectors, rather than treating health as a separate or isolated concern.

### **Outcome 2: Improved Quality Health Services Nationwide**

According to the World Health Organization (WHO), Universal Health Coverage (UHC) is a measure of access to the health services the public needs, when and where needed and without financial hardship. It includes the full range of essential health services, from health promotion to prevention, treatment, rehabilitation, and palliative care. Improving the quality of health services nationwide is crucial for ensuring that individuals receive the best possible care, promoting better health outcomes, and reducing healthcare disparities.

Although Seychelles has made significant progress towards protecting and improving Universal Health Coverage (UHC) as reflected by the increasing UHC index (71<sup>6</sup>), an analysis of the current situation of the health of the population and health systems revealed urgent issues in relations to quality, equity, outcomes and user experience and satisfaction which needs to be addressed. Therefore, this strategy aims to elevate the standards and quality of healthcare services while ensuring user needs are met.

To achieve this, emphasis needs to be placed on enhancing public healthcare package by improved implementation and monitoring. Primary Health Care serves as the first point of contact for individuals and is vital in promoting preventive care and addressing common health issues. In line with this, secondary and tertiary healthcare is aimed to be improved as well, given the challenges of non-communicable diseases, and expenditures beyond primary healthcare provisions remain a challenge. As such, there is a longstanding objective to define needs, roles and package of services for inpatient and specialised care services. Thereafter, necessary provisions will be made through implementation of a quality improvement initiative.

**Outcome 3: A well-performing health system**

The Seychelles health system is heavily dependent on foreign workers. Fifty-seven per cent of all health professionals are expatriates and 64% are trained abroad<sup>7</sup>. The COVID-19 pandemic has further highlighted the importance of sufficient numbers of adequately trained motivated workers in the sector. Moreover, the demographic profile of the workers indicate that substantial localization is required as staff head into retirement.

A well-performing health system is one that effectively and efficiently delivers healthcare services to its population, with the goal of improving health outcomes, ensuring access to care, and protecting individuals and communities from financial hardship. The aim is to improve efficiency in health care by raising cost awareness, conducting cost-benefit/cost-utility analyses of key services (including outsourced services), and redirecting funding to more cost-effective upstream interventions delivered through preventive and primary care.

Reliable and timely health information remains an essential foundation of public health action and health systems strengthening, both nationally and internationally. An integrated and collaborative approach to information governance enables health organizations to effectively manage, maintain, and use data to improve health care quality and performance within and across organizational boundaries, which is essentially what this strategy seeks to achieve.

## PRIORITY AREA 4: PROMOTION OF LAW & ORDER

### 2.3.1 Overview

Every person has the right to feel safe, be it the Seychellois citizen or any of the visitors to the country. In that respect, with tourism as a longstanding pillar of the economy as well as being one of the sectors spearheading the Transformative Economic Agenda, Seychelles takes pride in the hospitality and safe environment it offers to visitors. However, recent years have not only seen a rise in criminal behaviour and backlogs within the judicial system but also financing and human resource challenges in addressing mounting issues. Given the large financing gap over time, maintaining programs and interventions as they are is no longer viable. Moreover, given the status as a SIDS, social harmony is one that is critical given market sensitivity to perceived social instability. Thus, a new approach is required that not only tackles criminality directly but also addresses its determinants. Of equal importance, is a need to ensure that the public has a greater trust in the legal structures in place and the public servants employed to maintain the rule of law. To address the structural challenges, two areas of focus can be identified. Firstly, mitigating the determinants leading to criminality lies beyond the legal structure and is as much socioeconomic as it is cultural in nature. This requires substantial coordination amongst key stakeholders and in formulating long run policies given the pervasiveness of the challenge and its impact across society. Nonetheless, it must be acknowledged that the drug challenge –one that has only progressively worsened over the past decade- is one that requires more immediate actions coupled with long run policies given the adverse effects.

Secondly, to ensure the right structure is in place to deal with criminal behaviour and rehabilitation, a different approach is needed in law enforcement and processing cases, whilst safeguarding the rights of any detainee. Therefore, this priority area, aligned with SGD 16, in particular, seeks to ensure the element of safety and security within the Seychelles jurisdiction as well as preserve that feeling of peace that follows for all who reside there, whether permanent or temporary.

### 1.1 Potential Determinants of Criminality

To implement measures for law and order, it is necessary to understand the socioeconomic challenges that the country as a Small Island Developing State (SIDS) face, including constrained human and natural resources. Seychelles had an Annual National Unemployment Rate of 4.2% with males being proportionately higher; 4.9% comparable to that of 3.6 % for females. Youth unemployment, characterized as severe by the National Bureau of Statistics, stood at a rate of 16.5% in 2020. Once again, males are predominantly represented with an unemployment rate of 17.3% compared to that of 15.7% for females<sup>8</sup>. The latest Census of 2022<sup>9</sup>, showed a National Unemployment Rate of 3.9% and a National Youth (15-24 years) Unemployment Rate of 13.6% for the Seychellois population.

Moreover, Seychelles faces high informality within the labour market with national informal employment rates at an annual rate of 16.9% in 2020 and a clear gender disparity with males at a rate of 25.3% compared to a rate of 8.8% of informal employment for females. Youth informal employment was equally high with annual informal employment rate of 19.5%, once again with males having a higher proportion at 27.8% compared to that of females at 11.7%. In addition, annual youth NEET stood at a rate of 25.8% with yet again higher representation amongst male youth. In brief, criminality has strong links with socioeconomic conditions and opportunities to earn a decent living. Furthermore, deprivations that serve to define poverty have strong links to criminality, with incidence of crimes showing strong links with regions that are classified as low-income areas. With a poverty rate of 6.2% in 2022<sup>10</sup>, addressing the factors will have an impact on criminality in the long run.

In the short run, crime statistics highlight the challenges of substance abuse. This is further supported by Health data which indicate that as at 2020, over 1800 persons are enrolled under the Methadone Program run by the Ministry of Health as a response to heroin addiction. In addition, the Division for Substance Abuse Prevention, Treatment and Rehabilitation (DSAPTR) under the Ministry of Health has also reported 3005 persons under the low threshold program and 134 on

<sup>8</sup> As per the Q4 2020 Quarterly Labour Force Survey – National Bureau of Statistics

<sup>9</sup> Census 2022 – National Bureau of Statistics

<sup>10</sup> Source Link: <https://thedocs.worldbank.org/en/doc/bae48ff2f2fc5a869546775b3f010735-0500062021/related/mpo-syc.pdf>

the high threshold program. In terms of alcohol consumption, Seychelles rates relatively high with alcohol abuse evident in several instances including that on the side of law enforcement. The total annual consumption per capita (persons aged 15 years and more) in 2016 was equivalent to 20 litres of pure alcohol for men and 4 litres for women. To note, the global annual consumption of alcohol in 2019 was 5.8 litres per capita.<sup>11</sup>

## 1.2 Policy Interventions for Mitigating Social Ills

The government runs several programs as a means to mitigate the elements of criminality by addressing underlying challenges as well as direct interventions. For the latter, the Prison Services offer several rehabilitation programs for their inmates facing addiction. Several ministries, departments and agencies work together to offer various counselling and other psycho-social support including the Ministries for Health, Employment & Social Affairs and Family, Youth and Sports. There are also many ongoing sports oriented initiatives for the youth in the communities aimed at keeping them active and engaged in further developing potential skills. Several NGOs and the Citizens Engagement Platform Seychelles (CEPS) also carry out several programs targeting these vulnerable groups in society.

The Agency for Social Protection (ASP) under the Ministry of Employment & Social Affairs is responsible for the administering of benefits and welfare assistance to alleviate poverty-related pressures. In line with SDG 1.3, they ensure the substantial coverage of the poor and the vulnerable administering benefits that include disability, foster child, expectant mothers, orphans among others. The Ministry also assists those enrolled in re-skilling or other employment schemes under the Employment Department. However, given the size of the challenge, this approach offers only a partial solution.

Gender Based Violence is another indicator Seychelles looks to report on with the Domestic Violence Act under review. As domestic violence remains a problem within communities, the Departments of Social Affairs and of Family both have facilities actively catering to the victims of domestic violence, whether it be temporary shelter opportunities, 24/7 call centres or counselling services with social workers working on the preventative side as well as the reactive in terms of prosecutable cases.

In recent times, a joint initiative under the Ministry of Education and Social Affairs Department known as the Hope Project has been further developed and takes a long run approach. This two-pronged approach will firstly look at students with challenging behavior and are being suspended from school, and secondly, the adolescents with challenging behavior, are out of control and have the tendency to abscond from school and home. The first target group will be catered for under the Alternative Education Program and leave little time to get involved in anti-social and delinquent related activities. The second will take on residential behavior modification programs that aim to provide social control in a residential setting to help with their rehabilitation. The overall aim of this initiative is to help these adolescents address social issues that may result in the involvement in delinquent activity as a means of deterring future potential criminal behaviour.

In summary, the lack of employment opportunities, substance abuse and ultimately, poverty factors are identified as key determinants of criminality. Whilst the welfare function mitigates the impact, it does not resolve the underlying conditions and potentially exacerbates it, should the underlying factors not be addressed. In addition, whilst programs that are more recent have been implemented in support of a long run approach, improved synergies are needed from all stakeholders and not only in areas of legal enforcement.

Despite the many challenges Seychelles faces, every resident and visitor deserves the right of the feeling of peace that comes with knowing that they are safe, whether walking through the streets, laying on the beach, at school, workplace or within their own home. Therefore, as the interventions above continue, there are several additional that can be brought to the forefront and actively contribute to a safe and stable community. These are further detailed below under their respective outcomes for this priority area.



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2.1.2 Outcomes

Outcomes	Strategies	Implementing Agencies
<b>4.1: A reduction in crime following improved community trust and confidence in policing</b>		
	1. Introduce competency framework for a more professional workforce	Police Department
	2. Introduce an IT based Command and Control system that provides capabilities for centralised Incident/Crime Recording and management, resource dispatch, subsequent case management with service wide access for analytics and reporting	Police Department
	3. Introduce systems that make it easier to report complaints against police when not satisfied with the service	Police Department
	4. Increase the number of priority volume crimes where a suspect is progressed into the criminal justice system	Police Department, Judiciary
	5. Build confidence in the Police's ability to effectively deal with crime through partnerships with key stakeholders	Police Department
<b>4.2: Criminal Justice reforms for a more efficient and modern legal framework</b>		
	1. Improve efficiency through digitalization and automation	Police Department, Judiciary, Attorney General's Office
	2. Introduce a sentencing framework with stricter measures to deter serious crime and alternative sentencing for a relief on infrastructure resources	Prison Services, Judiciary
	3. Develop and implement tailored rehabilitation and re-integration programs responsive to the type of addiction	Prison Services
<b>4.3: A reduction in Cyber and Financial crimes</b>		
	1. Introduce an Institutional Framework under which Cyber and Financial crimes can be regulated	Internal Affairs Portfolio, DICT
	2. Develop and implement sensitization programs on cyber and financial crimes	
	3. Strengthen capacity to investigate cyber and financial crimes to build prosecutable cases	Internal Affairs Portfolio
	4. Promote cooperation among multiple intelligence agencies for facilitated information sharing	
<b>4.4: Strengthened Border security at all points of entry into the country</b>		
	1. Implement digital systems to support border control agencies in early detection	Immigration Department, Police Department
	2. Greater deployment of RCOC & NISCC operations for the reinforcement of intelligence & information analysis and sharing	Fisheries Department, Police Department, SMSA, Immigration Department, Customs - SRC, Agriculture Department
	3. Management of Bio-security threats and impacts on the economy	Immigration Department, Agriculture Department

### Outcome 4.1: A reduction in crime following improved community trust and confidence in policing

As a means to address the evolving crime dynamics, the Seychelles police has taken on a holistic strategy through which the betterment of Seychelles becomes the responsibility of all for all. Reference here is made to the 'Respe nou Vwazinaz' initiative, a proactive approach that involves collaborative efforts of the police force and the people within the community. The target is to build trust in the police, improve conditions that support the reporting of crimes and subsequently improve the concept of community safety. These efforts look to serve as a deterrence for petty crime within the community for the overall reduction in crime.

Diagram 2.3:  
Crime Statistics

	2017	2018	2019	2020	2021	2022	2023	%chg 22/21	%chg 23/22	%chg 23/17
<b>Police Generated Cases</b>										
Public Order Offences	1183	1907	1844	1596	2046	2058	2083	0.6	1.2	76.1
Offences relating to the administration of justice	63	92	94	86	101	86	131	-14.9	52.3	107.9
Drugs	411	226	279	313	374	628	1150	67.9	83.1	179.8
Firearms, ammunition and explosives	53	52	68	71	50	99	512	98.0	417.2	866.0
Environment and Fisheries	20	44	39	32	49	38	16	-22.4	-57.9	-20.0
Other crimes Not Elsewhere Classified (1)	59	60	61	742	7846	1505	137	-80.8	-90.9	132.2
Road Traffic Accidents	20904	28246	23683	21530	19148	16338	11517	-14.7	-29.5	-44.9
<b>Reactive Cases</b>										
Murder, Manslaughter and Infanticide	7	9	10	9	5	10	8	100.0	-20.0	14.3
Serious Offences	111	125	90	77	70	82	91	17.1	11.0	-18.0
Robberies	86	47	42	27	39	41	68	5.1	65.9	-20.9
Sexual Offences	104	121	119	114	106	86	81	-18.9	-5.8	-22.1
Offences Against Person	777	784	749	781	738	842	963	14.1	14.4	23.9
Burglaries	1367	1124	1041	522	535	694	761	29.7	9.7	-44.3
Theft	1326	1227	1136	818	1001	1188	1374	18.7	15.7	3.6
Arson and Criminal Damage	352	389	402	354	311	349	424	12.2	21.5	20.5
Fraud	283	220	176	182	183	180	201	-1.6	11.7	-29.0
Offences under Statutory Laws/Acts	19	27	18	18	17	15	5	-11.8	-66.7	-73.7
Public Order Offences	71	62	48	61	31	31	28	0.0	-9.7	-60.6
Offences relating to the administration of justice	43	30	18	25	22	12	21	-45.5	75.0	-51.2
Environment and Fisheries	7	4	2	3	3	0	1	-100.0	-	-85.7
Other crimes Not Elsewhere Classified	60	70	55	41	47	54	109	14.9	101.9	81.7
<i>(1) Other crimes Not Elsewhere Classified due to COVID-19 related penalties</i>										

Source: National Bureau of Statistics



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In line with the same approach of safety for all by all, a multi-stakeholder Working Group has been set up and with the representation of several Ministries, is mandated with developing strategies and initiatives to reduce the risk of youth crime offenders associated with illicit drug activity in Seychelles. This includes the piloting of effective, targeted interventions, sharing knowledge and resources and fostering a culture of collective responsibility for safer communities. This multi-sectoral approach aims at building the trust and cooperation between the stakeholders as well as on the ground, opening up communication channels, nurturing collaborative efforts and building credible data banks of information that will allow for the monitoring of progress and continue to inform necessary measures in the interest of improving the quality of life of the people.

The initiative described above highlights the fact that community contributions and the Police's ability to effectively deal with criminal activity complement each other. In that respect communication and collaboration is important to ensure the cases are closed in the best interest of the communities. The trust built will see more people comfortable to report the crime with confidence that it will be addressed with professionalism. This is especially beneficial in domestic abuse cases that are sensitive in nature and often left unreported. Moreover, it is important that the community rest assured that their concerns are heard. A feedback system that allows for complaints, improved communication and a means to address these concerns will only boost the working relationships within the communities.

A professional workforce with officers who uphold values and morals that allow for compassion and respect in their approach and interaction in the communities would ease the feat of building trust. A tailored competency framework for law enforcement officers that would align with the performance monitoring and evaluation framework across government is required.

In addition, interventions geared at achieving efficiency gains look to strengthen confidence in the justice system that from the moment a crime is committed and the suspect processed, the case will be brought forward and disposed of in an acceptable, timely manner. It will in turn serve as a deterrence for crime in the long run. To elaborate, the use of technology would enhance the viability of cases generated for the courts. With the integration of the CAS (Case Anticipation System) with end user feedback, crime reporting and management is expected to improve with further benefits in resource dispatch and case management. This level of digitalization and automation complements the efforts on digitalization stipulated under another Strategic Intervention for Outcome 2 below.

The initiatives feed into each other and seek to achieve the overall goal of a reduction in crime in the country at a community level. With increasing levels of tourism related crimes, this may very well assist in dampening the number of incidences and risks associated with negative external perceptions of Seychelles as an unsafe destination.

### **Outcome 4.2: Criminal Justice reforms for a more efficient and modern legal framework**

The other facet of criminal activity involves the prosecuting and incarceration of offenders, mindful of the fact that the Seychelles Prisons is at near capacity and as such may impact the reformative aspects, the safety of staff and inmates, and potentially in the long run the level of law and order within society.



Diagram 2.4: Incarceration Statistics

Age Group	2022 Q1			2022 Q2			2022 Q3			2022 Q4			2023 Q1			2023 Q2			2023 Q3			2023 Q4		
	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F
<b>Remanded</b>																								
Under 18	-	-	-	-	-	-	1	1	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
18-27	12	11	1	10	10	-	9	4	5	19	18	1	20	18	2	29	28	1	12	12	-	20	20	-
28-37	22	21	1	13	13	-	22	14	8	21	21	-	28	27	1	42	37	5	35	30	5	29	26	3
38-47	16	16	-	12	11	1	13	10	3	8	8	-	15	13	2	29	26	3	28	28	-	20	17	3
48-57	6	4	2	2	2	-	2	2	-	2	2	-	6	6	-	3	3	-	8	8	-	4	3	1
58-62	1	1	-	-	-	-	-	-	-	3	3	-	-	-	-	-	-	-	2	2	-	1	1	-
63 and over	1	-	1	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Not Stated	-	-	-	-	-	-	-	-	-	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>58</b>	<b>53</b>	<b>5</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>47</b>	<b>31</b>	<b>16</b>	<b>67</b>	<b>66</b>	<b>1</b>	<b>69</b>	<b>64</b>	<b>5</b>	<b>103</b>	<b>94</b>	<b>9</b>	<b>85</b>	<b>80</b>	<b>5</b>	<b>74</b>	<b>67</b>	<b>7</b>
<b>Convicted</b>																								
Under 18	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	2	1	1
18-27	14	14	-	7	6	1	14	14	-	13	12	1	17	16	1	22	21	1	24	24	-	21	19	2
28-37	12	10	2	32	31	-	30	27	3	25	24	1	32	27	5	22	20	2	44	41	3	36	35	1
38-47	12	11	1	27	27	-	13	12	1	20	20	-	19	19	-	11	11	-	14	14	-	20	20	-
48-57	2	2	-	9	9	-	9	9	-	12	12	-	10	10	-	3	3	-	10	9	1	5	5	-
58-62	-	-	-	1	1	-	1	1	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
63 and over	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Not Stated	-	-	-	-	-	-	1	1	-	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>40</b>	<b>37</b>	<b>3</b>	<b>76</b>	<b>74</b>	<b>2</b>	<b>69</b>	<b>65</b>	<b>4</b>	<b>77</b>	<b>75</b>	<b>2</b>	<b>78</b>	<b>72</b>	<b>6</b>	<b>59</b>	<b>56</b>	<b>3</b>	<b>93</b>	<b>89</b>	<b>4</b>	<b>84</b>	<b>80</b>	<b>4</b>

Source: Prison Department

As a means of relieving pressures on the facilities that not only affect standards but also the wellbeing of inmates, especially in terms of the rehabilitation efforts for successful re-integration into society, the deterrence of crime is vital, as are alternative sentencing measures and rehabilitation aspects. As a more direct approach to the same, strategies of alternative sentencing come into play where the punishment is seen to match the severity of the crime committed. Moreover, the externalities of the effects of incarceration is unknown. From a legal perspective, reducing the caseload burden on the state implies better service delivery, potential reductions in processing time for a legal finish and lowering the socioeconomic externalities of incarceration.

As a means to support these efforts being put in place, the prison services have carried out several empirical studies, one of which being, the research paper on Recidivists done based on data from the Prisons in 2013<sup>12</sup>. This study showed that approximately 84.7% of respondents were found offending a second time before the age of 35 years and 33.7% of respondents committed a third offence. This is believed to be much higher since the completion of that study, mindful of the rise in substance abuse that followed in the following decade. Therefore, for a more relevant understanding of current situations, the study, in partnership with UniSey, is expected to be repeated in 2024, with outcomes expected to better inform policies moving forward.



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Below are data on recidivists categorized by offending history of convicted prisoner and sex, published by the NBS;

Diagram 2.5: Recidivists categorized by offending history of convicted prisoner and sex

Status	2022 Q1			2022 Q2			2022 Q3			2022 Q4			2023 Q1			2023 Q2			2023 Q3			2023 Q4		
	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F
<b>Remanded</b>																								
First Offenders	398	360	38	402	362	40	421	378	43	397	355	42	411	367	44	430	379	51	480	428	52	501	447	54
Second Offenders	150	143	7	155	149	6	141	135	6	133	127	6	130	126	4	121	115	6	114	109	5	126	120	6
Recidivists	113	112	1	135	135	-	170	169	1	215	210	5	212	204	8	246	241	5	274	271	3	285	279	6
Not Stated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>661</b>	<b>615</b>	<b>46</b>	<b>692</b>	<b>646</b>	<b>46</b>	<b>732</b>	<b>682</b>	<b>50</b>	<b>745</b>	<b>692</b>	<b>53</b>	<b>753</b>	<b>697</b>	<b>56</b>	<b>797</b>	<b>735</b>	<b>62</b>	<b>868</b>	<b>808</b>	<b>60</b>	<b>912</b>	<b>846</b>	<b>66</b>

Source: Prison Department

Successful rehabilitation and reintegration of inmates into society is the main drive of the Prison Services. In that respect, procedures are underway to change the 'Prison Services' to a 'Correctional Facility'. However, it must be acknowledged that successful rehabilitation and re-integration lies beyond the prison services. Collaborations with several stakeholders within the community is needed to engage with the inmate during their incarceration as well as upon their release. This, coupled with the harsh reality of high youth offenders, has led to discussions with the Seychelles National Youth Council where the prison services are to tap into programs run under the Council and mitigate the likelihood of future repeated incarcerations.

To address the above challenges, efficiency gains are sought that would reduce the processing times of cases through the criminal justice system. A level of prioritization and the known benefits of digitalization and automation would contribute to easing the burden on the criminal justice system. Moreover, strategic interventions aim to address the matching of crimes to the severity of punishment and resource needs in its execution. As an example, individuals facing prosecution for non-payment of alimony payments run the risk of prison sentences, thereby creating additional pressures when considering its impact on the next generation –mindful of the impact of household composition as per the previous household census- and the socioeconomic role that government plays. This calls for considerations of alternative sentencing that not only allow for serving the communities but also reduce pressures on capacity and costs incurred at the prison's facilities.

Thus, successful rehabilitation and reintegration of inmates into society are the main objectives of the Prison Services. In that respect, several programs are ongoing in collaboration with relevant partners within the prison's facility addressing the different challenges the inmates face. The success of such efforts, however, can only be determined once the inmate is released into their communities and if successful societal reintegration can be achieved. The success of this can be benchmarked by education or employment and actively contributing to the betterment of their communities, and at the very least, a lower level of repeat offenders. It is evident, however, that this is no easy task and the continuous support received from within the facility to the communities upon release is vital for their success. The aim here is a reduction in recidivists, in particular, those who have participated in programs available at the prison facilities.

It is worth noting that the challenge is one that is reflective of long run societal development and therefore, long run determinants such as education, employment, stable homes and safe communities must also be mindful of this outcome in the long run.

### **Outcome 4.3: A reduction in Cyber and Financial crimes**

The Digital Economy Agenda implies a higher risk of cyber-attacks on the population and critical information infrastructures. As such, it is important that resources are strategically allocated to enable Seychelles to improve its national cybersecurity position which will support confidence in the sector. This is reflected by the fact that several albeit nascent objectives have been met in improving cybersecurity in the country. The enactment of the Cybercrime and other related crimes Act has resulted with additional manpower allocated under the cyber security unit at the DICT as well as another unit under the Police Force for enforcement of the Act. DICT was also the first government institution in Seychelles to become ISO certified having received its ISO 27001 certification in November 2022 with benchmarks standards for information security. Moreover, Seychelles is currently working on establishing the Data Protection Bill and implementing the National Cybersecurity Strategy 2019-2024. In addition, Seychelles undertook the Cybersecurity Capacity Maturity Model for Nations (CMM) assessment early 2023 which gave rise to some recommendations which are likely to feature in the reviewed National Cybersecurity Strategy. All efforts will be further supported by the promotion of financial literacy with awareness campaigns spearheaded by the Central Bank of Seychelles in partnership with several stakeholders including DICT. Therefore, the growing developments in and the ever-dynamic nature of the digital world, bring about the necessity for interventions to achieve this outcome.

As this remains an emerging threat, there is a need to ensure that Cyber and Financial Crimes have a framework for which they can be regulated and potential risks are identified. The National Anti-Money Laundering and Countering the Financing of Terrorism Committee (NAC) launched on December 20th 2023, the consultation phase for the proposed framework for the regulation of Virtual Assets (VA) and Virtual Asset Service Providers (VASP). This framework has been developed with a view to encouraging innovation and supporting the growth of the VA industry in a responsible and sustainable manner, whilst also importantly addressing and safeguarding against the potential financial crime risks associated with the misuse of VA products and VASP services offered in or from the Seychelles.

Another notable achievement under the financial services sector for 2022-2023 includes a well-informed National Risk Assessment for Money Laundering and Terrorism Financing providing in depth insight into threats and vulnerabilities nationally. At the onset, the overall national vulnerability is determined to be MEDIUM. This stems from in depth analysis of the national combating ability and overall sectoral vulnerability rated MEDIUM and MEDIUM-HIGH respectively.

Additionally, in July 2023, Seychelles successfully completed a comprehensive National Risk Assessment (NRA) focused on Non-Profit Organisations (NPOs). Following the assessment, it is strongly recommended that Seychelles adopts measures commensurate with this low threat level, placing an emphasis on sustained outreach, effective supervision, and vigilant monitoring. Furthermore, Seychelles should commit to periodic reassessment of the sector to ensure that countermeasures remain effective in addressing evolving risks.

Similarly, a level of preparedness is needed so that upon the detection of a related crime, it can be dealt with appropriately. Prosecutable cases that lead to successful case disposals will act as a deterrence for future attempts of unlawful activity of the kind. As a result, DICT is actively engaging with domestic and international stakeholders for the delivery of various trainings for the different stakeholders with opportunities of cyber security and cybercrime events at the regional and international levels. Further to this, DICT through the MoU with CERT-MU (Computer Emergency Response Team – Mauritius), a well-established CERT in the region, is participating in an exchange program to learn from a more experienced regional counterpart. This would in turn, inform the National Computer Emergency Response Team to be established in Seychelles in 2024.

Just as crucial as the building of capacity to investigate cyber and financial crimes is the strengthening of collaborative efforts among various intelligence partners to build prosecutable cases. This would contribute to the increase in the value of asset seizures related to illicit activities further deterring unlawful activity.



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### **Outcome 4.4: Strengthened Border security at all points of entry into the country**

The previous decade saw the impact of piracy within the region whereby shipping disruptions, insurance premiums and travel times markedly increased. Moreover, given the country's geographic location within the drug trade, border security requires a holistic approach in partnership with other countries. From a localized perspective, theft of maritime natural resources have increasingly required military interventions.

Mindful of the above, several collaborations with external partners have led to multiple capacity building sessions with regards to best practices in sea patrol or border security measures. One of which being, the Cutlass Express 2023 military exercise that took place in March 2023. This was a multinational maritime exercise designed to assess and improve combined maritime law enforcement capacity, promote national and regional security, and to bring together U.S forces and Eastern African nations, Western Indian Ocean nations, and other international partners to share their expertise and experience.

Given the large EEZ within Seychelles jurisdiction, efforts need to be bolstered in order to deter illegal activity on the waters including and not limited to, illegal fishing and the illegal operation of foreign vessels. Continuous capacity building and collaboration with various partners, local and international, coupled with the integration of digital advancements will be to the advantage of the law enforcement officers in achieving the targets set out for the next couple of years.

From a direct border control perspective and given the country's drive towards digitalization, substantial efforts to improve border security have been made recently, key of which being the Electronic Border System and the Biometric Passports. These efforts allow for screening of entrants into the country in hopes of early detection of suspicious activity and potential criminal behaviour. Further developments via the Digital Economy Agenda will be implemented to further safeguard the country's border control systems and enhance cybersecurity measures.

Additionally, the biological uniqueness of Seychelles leaves it with a particularly fragile ecosystem. In particular, its comparatively small topographical areas would have a bio threat spreading rather rapidly and may prove disastrous in terms of food security, health implications and so on. Therefore, it is imperative that screening amongst other security measures is effective and continuous at the various points of entry followed by pro-active management of any threats that fall through the screening process and comprehensive contingency planning measures embedded within key institutions.

## PRIORITY AREA 5: A MODERN EDUCATION SYSTEM IN LINE WITH FUTURE NEEDS

### 2.5.1 Overview

Human resource capacity is a critical determinant of economic growth and social cohesion, with the education system providing a key avenue in not only building vocational and academic capacity, but also in building civics for the general betterment of society. Over the years, Seychelles has achieved several milestones and international benchmarks with regards to the education sector. In more recent times this has been particularly pronounced, as government mainstreamed the Sustainable Development Goals and subsequent targets in efforts to attain and surpass SDG 4 on Quality Education. Such endeavor has resulted in Seychelles as the sole African country to have attained all of the six goals outlined by the Education for all initiative directed by UNESCO. Consequently, Seychelles was ranked as the top African nation with the best education system by the World Education Forum.

Within the scope of realizing universal education, Seychelles has a free system of education, with a compulsory requirement for students to study up to the age of 16 years. The education system is structured in systematic levels as follows: pre-primary, primary, secondary, tertiary non-university education and training (Professional centers), tertiary university education and training. In addition to the provision of the formal structure of education, some informal structures coexist, which supplement the formal setting. These include non-formal early childhood and adult education, along with social and youth activities. Although government makes provision for free education, this is supplemented by privately funded education, which is provided at all levels, from early childhood to tertiary education. The country's remarkable efforts have been instrumental in achieving universal basic education and gender parity in primary and secondary schooling.

Education priorities give specific focus in ensuring that quality and equitable access to education is provided to the people. As such, approximately 10 per cent of annual government budget is reserved for education, reflective of its importance when compared against international peers. Accordingly, this longstanding stance has resulted in Seychelles performing extraordinarily well in this regard, having attained a literacy rate of 96.2 per cent.

At the Early Childhood Education level, a critical milestone has been the setting up of the Institute for Early Childhood Development (IECD). In June 2023, The Institute was officially recognised as a category two centre for Early Childhood Care and Education under the auspices of the UNESCO. This will allow for the institution to act as a hub for research, quality assurance, advocacy, knowledge exchange and collaboration in the field of early childhood development. In addition, this will permit Seychelles to gain access to technical assistance from UNESCO affiliated partners. In 2022, the IECD reported an 85% compliance level with the national standards. Successful early childhood education has had beneficial rippling effects on the performance in early primary education.

However, the developments thereafter show some worrying trends. The Ministry of Education reports that in 2022, 65% of learners in Primary 2 achieved the competency level in literacy. Additionally, 36% of learners achieved the competency level in numeracy. Should the intertemporal trend hold, the less than desired levels of competency at lower Primary has a ripple effect without significant improvements at upper primary level. However, upper primary performances in English and Mathematics in 2022 have been worryingly low and will worsen with time should lower primary level trends hold. Results show that 31% of learners in P6 scored grade C and above in English, with only 16% of learners in P6 scoring C and above in Mathematics. Therefore, it can be argued that despite attainment of universal education by international standards, much work is required to address issues relating to the foundational aspects of quality and equity of education, mindful of the need for the country's need to boost performance in STEM subjects.



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With regards to Secondary level performance in 2022, 96% and 94% of female and male respectively learners completed Secondary 5. A total of 46% of learners enrolled in English IGCSE and 39% of learners enrolled in Mathematics IGCSE. Pass rates were relatively high whereby 98% of learners enrolled in English as a first Language scored grade C and above, whereas 55% of learners enrolled in IGCSE English as a second language scored grade C and above. Additionally, 69% of learners enrolled in IGCSE Maths scored C and above. Mindful of current and future labor gaps in more technical fields, the performance can be seen as somewhat worrying given many students did not meet the criteria to continue to IGCSE A-levels and with current social stigma, perceive other streams to be seen as lesser options.

The percentage of learners enrolled in these academic programs and impact on addressing labor gaps indicate that there is a call for a reform in the Secondary education structure. This is reflected by the increased urgency in establishing a robust National Technical and Vocational stream to address labor gaps. This would provide an alternative for students seeking to pursue a non-academic pathway and opt to streams more reflective of their skillset and demand. The introduction of this approach will further strengthen the framework for technical and vocational studies as well as meet the various needs of students. Whilst the challenge of a relatively high youth unemployment and informal sector rate must not be attributed in its entirety to the Education sector, reforms are needed to support socio-economic improvements and ensure that vocational skills are better localized. Moreover, education policy must be considerate of future labor dynamics where there is a need to facilitate wage growth, investment opportunities and create demand in key sectors as a means to reduce dependence on foreign labor and contribute in reducing the impact of structural challenges.

At the tertiary level, Seychelles has a total of ten (10) Professional Centres (PC) assisting in the development of knowledge, skills and training in areas such as; Construction, Tourism, Blue Economy, Education, Business, Arts and the Health sectors. Additionally, to promote life-long learning and reskilling, the Seychelles Institute of Distance and Open Learning (SIDOL) provides programmes to students geared towards facilitating access to education and lifelong learning for out-of-school youths and adults seeking upgrading, training, life skills, and enhancing opportunities for employment.

Additionally, to address skill mismatch in our economy, the University of Seychelles, accommodates for pre-service and in-service students with the provision of world-class programmes in numerous fields such as Business and Finance, Information Technology and Environmental Science, amongst others.

It has to be acknowledged that substantial gains have been made in the sector and based on international norms, the country is outperforming peers. However, recent data suggest that past approaches cannot be replicated given the evolving socioeconomic environment. Moreover, the performance of the sector is impacted by developments within society and there is an acceptance more needs to be done by factors that lie outside the purview of the sector. Nevertheless, the sector has a critical role in developing the appropriate civics to shape model citizens of the future. Thus improves integration across streams, improved linkages with social affairs and other agents, and the need to adopt a long run approach implies that the sector will be critical in addressing structural challenges. In light of this, government is also in the process of refining and finalising the Human Resource Development Plan by end 2024 to address the longstanding mismatches in the labor market as well as to be more reflective of the current NDS manpower needs in attaining Vision 2033.



**2.5.2 Outcomes**

Outcomes	Strategies	Implementing Agencies
<b>5.1: A reformed the education system aligned with the realities of Seychelles today and for the future</b>		
	1. Improve readiness and developmental outcomes of children in early childhood stage	IECD
	2. Strengthen the Technical and Vocational education and training.	MOE
	3. Improve the quality of Teacher Training.	MOE, SITE
	4. Anchor digital skills in the education system.	MOE
<b>5.2: Inclusive educational institutions to cater to all students.</b>		
	1. Convert educational institutions into Inclusion schools	MOE
<b>5.3: A culture of life-long learning established to ensure employability and productivity.</b>		
	1. Provide increased opportunities for continuing professional development	MOE, UniSey, SIDOL, PCs

**Outcome 1: Reform the Education System for the realities of Seychelles today and for the future**

The Education Sector seeks to produce empowered, well-rounded and qualified individuals able to respond to the labour market needs. Faced with substantial challenges, this strategy focuses on addressing the deficiencies of the education sector to improve educational outcomes at all levels. Implementation of the strategy aims to influence socioeconomic conditions in the long run. Addressing the challenges within the education sector – and allowing the maximum number of students to develop the necessary skillsets, competencies and civics – is a priority for government to dampen structural challenges and strive towards a modern education system aligned with future needs, whereby a culture of lifelong learning is further developed.

Evidence of student's current performance calls for a revamp of the education system and a need to further enhance capacity in low and median groups. Firstly, immediate attention will be given to review key, outdated, strategic documents which will guide the sector as it will set out the foundation for a modern education system for the country and facilitate a conducive environment for higher educational attainment. These documents include but is not limited to the Education Act, Education Policy and Tertiary Education Act.

Secondly at the service-delivery end, emphasis will be on early childhood and primary level to guarantee a firm foundation so that students are well equipped with basic skills so to cope with progressing levels of learning. Adopted curricula will focus on preparing students for academic and vocational undertakings. A solid foundation will form the basis to strengthen education provided at the secondary level and tertiary thereafter.

To support this, the Ministry of Education recognizes the need for development and successful adoption of an aligned curricula relative to needs to ensure that students are equipped with the relevant skills and knowledge, today and for the future. Based on our comparative advantage as a country, subjects such as Tourism, Environment, Financial Education, Digital Literacy, Blue Economy and Entrepreneurship will be strengthened and successfully integrated within the schools' programmes. The curriculum development will be guided by priority sectors as identified by this document. Work in this regard has started, as the Ministry of Education have initiated the establishment of numerous committees for the review and development of new curricula to be adopted in schools. This exercise will be aimed at establishing a broad-based curricula to foster holistic development of students promoting intellectual, emotional, physical and spiritual development.



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To complement this, the successful delivery of the curricula will require capacity building of teachers in the above-mentioned areas. The Seychelles Institute of Teacher Education would thus be imperative in training of the teachers in advancing the reform and requires a structure that is reflective of such.

As a key driver for economic growth and diversification, substantial emphasis will be placed on the STEM subjects, especially to support developments in the Information and Technology sector. As the world rapidly advances, Seychelles is increasingly recognizing the significance and key role education in Science, Technology, Engineering and Mathematics (STEM subjects) hold. Results have shown that in recent years students are underperforming in these subjects.

Additionally, the government widespread reforms in the education sector include the establishment of a new Technical Stream of Excellence, which seeks to meet the continuously growing needs of the labour market. The school would focus on delivering a curriculum for Secondary 3 to Secondary 5 students pursuing a vocational path. This would in turn contribute positively to the socio-economic development of the country and with appropriate mechanisms, open avenues for further education in technical professions. The Technical and Vocational Education and Training school will ensure the integration of aspects of education and training, vocational and general education, skills development and career orientation. The government is currently engaging with leaders in this field, such as the Chinese Government, to learn from best practices. Additionally, partners such as the African Development Bank is providing technical assistance in establishing the school.

With rapid globalization and the push for digitalization, a renewed emphasis is required in ensuring that Information and Communications Technology are taught across all school levels. Ministry of Education has intensified efforts in this regard where numerous initiatives have been introduced. The Ministry of Education, as the custodian of the Digital Skills pillar of the Digital Economy Agenda has adopted an Action Plan which outlines measures including equipping schools and students with devices, providing necessary digital skills to students, provision for teacher training and revision of curricula to integrate digital skills. The Action Plan aims to ensure that students attain the required digital skills.

### **Outcome 2: Promote inclusion in educational institutions**

To ensure that students with physical, behavioural or learning abilities are integrated into the education system, support through appropriate policy measures and effective resource allocation remains vital.

The Inclusive Education Policy stipulates that "the practice of mainstreaming learners with disabilities should be an integral part of national plans for achieving education for all." It further states that "learners are to be placed in special schools only in exceptional cases and their education need not be entirely segregated". As such, the Ministry of Education advises that learners should attend part-time schooling conducted at primary, secondary and special schools. In doing so, provisions are made to ensure that exchange of information and capacity building between schools exist. This is more specific to training and teaching methods, whereby the special schools function as training and resource centres for staff in regular schools. This offers collaboration between teachers where staff of special schools can guide those in mainstream schools in the matching of curricular content and teaching methods to the individual needs of learners.

To strengthen efforts in this scope, Ministry of Education has introduced a pilot project to target inclusivity in schools. This tackles issues amongst students of differing race, academic abilities, as well as socio-economic backgrounds. The project strives for students to learn in the same environment. By adopting varying methodologies, this will allow all students to integrate into mainstream schools despite having unique educational needs.



**Outcome 3: Foster Life-Long Learning for employability and productivity**

To foster a life-long learning culture amongst the Seychellois people, government looks towards strengthening of several mechanisms to uplift employability and productivity in workplaces. This includes firstly, the strengthening of the tertiary educational institutions so as to become more relevant and responsive to the labour market. Ongoing discussions with concerned parties suggest a need for a review of programmes offered at these institutions, including a revamp of current infrastructure and equipment in these schools.

To ensure alignment of programmes offered by the institutions, in addition to addressing skills gap, a new Human Resource Development Plan, led by the Ministry of Employment and Social Affairs, is currently being drafted. The National Development Strategy will be used as the guiding document in this regard. In collaboration with key stakeholders such as government bodies, private sector and civil society, the plan intends to reduce the unemployment rate, more specifically youth unemployment. This critical document will henceforth guide government-sponsored scholarships for better human resource planning.

Furthermore, to sustain graduates to remain within their field of study, extensive work will be undertaken in solidifying careers guidance in schools. This will also support the ongoing initiatives to guide students towards a career choice geared towards sectoral transformations of the country. In turn, the strategy aims to ensure that the programmes undertaken conform to the national needs and demands of the country. As such, this will necessitate greater engagement and coordination with the training institutions and private sector to guarantee successful development and delivery of programmes, responding to labour market needs.



## PRIORITY AREA 6: ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE RESILIENCE

### 2.6.1 Overview

As a SIDS, Seychelles faces significant challenges to its sustainable development goals such as limited availability of land, a narrow resource base and more poignantly, severe vulnerability to the impacts of climate change given its social, ecological and economic impacts. As climate-driven risks intensify, government is taking bold steps to build the country's resilience against the impacts of climate change on the environment, human health, livelihoods and socioeconomic development.

As indicated in Priority Area 2 of this NDS cycle, government targets to implement the Transformative Economic Agenda, which targets increased yields from the tourism sector and economic diversification in the agriculture, fisheries and blue economy sectors. As Seychelles' development is heavily reliant on its limited natural resources, it is imperative to promote a balance between economic prosperity and environmental sustainability.

Furthermore, the vulnerability of these Priority Sectors to the adverse impacts of climate change highlights that resilience building is an integral part of the country's development agenda. As such, reliance on climate vulnerable sectors highlights the need to implement measures geared towards building the country's capacity to withstand economic and climate change driven shocks.

Seychelles has made notable achievements in the area of environmental sustainability and climate change resilience. For instance, Seychelles implemented restrictions on plastic utensils, polystyrene boxes, balloons and plastic bags as part of its efforts to reduce plastic pollution across the islands.<sup>13</sup> Furthermore, it was the first country in the world to undertake a debt-for-nature swap and issue a sovereign blue bond in 2018. This highlights the nation's commitment to protect its marine resources and pursue sustainable development and creating fiscal space through innovative forms of financing.

The government recognises the need to scale up financial resource mobilization to successfully implement this priority area mindful of the fact that current medium run projections do not fully embed climate related projects. Despite this, government aims to continue its policies of reducing the carbon footprint of tourism given its impact on attaining the country's NDC. Recognising the impact of increased tourism on the environment, government has recently introduced the Seychelles' Tourism Environmental Sustainability Levy, which aims to provide funds to support environmental conservation and rehabilitation programmes. Nonetheless, a substantial funding gap remains, especially to address climate related risks. Similar to other SIDS, acquiring adequate financing for the implementation of necessary adaptation and mitigation projects is one of the most significant challenge faced by the country. It is for this reason that Seychelles strongly supports the adoption of a Multidimensional Vulnerability Index (MVI), which seeks to consider the vulnerabilities of SIDS in the eligibility criteria for concessionary finance.

With the assistance of multilaterals, government aims to further identify viable climate finance mechanisms albeit consistent with the country's target to achieve a 50% debt-to-GDP ratio by 2030. This will be supported by the development of a comprehensive Climate Finance Mobilization Strategy to complement government's efforts to increase mobilization of resources and leverage domestic and international investor to bridge the financing gap. Government is also working on establishing an effective climate finance budget tagging system, which will serve to promote accountability and transparency as well as strengthen the monitoring and evaluation framework. To achieve this outcome, government will continue to promote the responsible use and stewardship of its limited natural resources as it pursues a resilient and sustainable development mindful of the need to safeguard one of the country's unique selling points, namely the pristine ecological zones, and the flora and fauna. This includes measures to rehabilitate watershed and terrestrial ecosystems, restore coral reef ecosystems, eradicate and control invasive alien species, as well as effectively manage the protected area network. Whilst conservatism and climate change adaptation can be seen as in conflict with economic development, an optimal balance must be pursued. This balance is subject to external developments and commitments made in globally addressing the massive threat that is climate change.

<sup>13</sup> The Environment Protection (Restriction on importation, distribution and sale of Plastic Utensils and Polystyrene Boxes) Regulations, 2017, Environment Protection (Restriction on manufacturing, importation and distribution of Plastic Bags) Regulation, 2017 and Environment Protection (Prohibition of Balloons) Regulations, 2021



**2.6.2 Outcomes**

Outcomes	Strategies	Implementing Agencies
<b>6.1 Effective Implementation of measures to achieve climate mitigation goals</b>		
	1. Reduce economy-wide Greenhouse Gas (GHG) emissions	SEC
	2. Facilitate transition towards renewable energy and improved energy efficiency	SEC
<b>6.2 Strengthened resilience to the impacts of climate change</b>		
	1. Ensure conservation and restoration of coastal wetlands	MACCE
	2. Develop a pipeline of adaptation projects	MACCE
	3. Integrate climate change considerations into sustainable development related plans, policies and strategies	MACCE
<b>6.3: Enhanced national disaster risk reduction, preparedness and recovery capacity</b>		
	1. Strengthen climate information services and early warning systems	SMA
	2. Strengthen disaster risk coordination across relevant institutions	DRDM
<b>6.4: Sustainable development mainstreamed through the responsible use and management of environmental resources</b>		
	1. Ensure effective management of designated protected areas	SPGA, PA Managers, SeyCCAT
	2. Minimize the loss of species and ecosystems	Department of Agriculture (biosecurity) SPGA, ENGOS
<b>6.5: An effective and sustainable waste management system</b>		
	1. Reduce volume of waste reaching final disposal sites	LWMA/Private sector/ Dpt. Of Blue Economy
	2. Divert organic waste from final disposal sites	MACCE/S4S/R2R/ Farmers/IOT/dpt. Agriculture

**Outcome 1: Effective Implementation of measures to achieve climate mitigation goals**

Seychelles' contribution to Greenhouse Gas (GHG) emissions is insignificant when compared on a global scale. The updated Nationally Determined Contribution (NDC) indicates that the country's emissions account for less than 0.003% of global emissions. Nonetheless, Seychelles' NDC highlights the commitment to increase mitigation contribution by reducing GHG emissions by 293.8 ktCO<sub>2e</sub> in 2030 (26.4%) compared to Business-As-Usual (BAU) scenario. To this end, government remains committed towards implementing effective measures in the medium term to achieve its long-term target of becoming a decarbonized net-zero emissions economy by 2050. Government has also committed to reducing Seychelles' heavy dependence on imported fossil fuel to meet its energy needs, given the vulnerabilities to changes in global energy supply and prices. To address this challenge, government has embarked on an energy sector reform to promote energy security while pursuing a clean and sustainable energy transition. The reform encompasses the development of an Integrated Resource Plan (IRP), which aims to establish a coordinated approach for the effective implementation of energy sector policies as well as identify the least-cost measures to meet growing electricity demand. The IRP also seeks to support government's efforts to increase the share of renewable energy in the country's energy mix to 25% by 2030 towards the long-term goal of achieving 100% renewable energy by 2050<sup>14</sup>.

Furthermore, in line with the provisions of Article 4, paragraph 19, of the Paris Agreement, Seychelles is in the process of developing its Long-Term Low Emission Development Strategy (LT-LEDS) which will outline the long-term structural changes required to transition towards the net-zero emission target by 2050.

<sup>14</sup> Source Link: Seychelles currently generates only 5% of its energy needs from renewable resources UNDP (2023) [https://www.undp.org/sites/g/files/zskgke326/files/2023-07/sdg\\_seychelles\\_summary\\_of\\_findings.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2023-07/sdg_seychelles_summary_of_findings.pdf)



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To support its mitigation objectives, government facilitates and promotes the use of cleaner-energy vehicles such as electric vehicles (EVs). Such an approach is reflected by the implementation of an e-mobility project that aims to accelerate the shift towards environmentally friendly vehicles. An example of this approach is the fiscal incentive of tax reduction on hybrid plug-in vehicles, which will be introduced in 2024.

### **Outcome 2: Strengthened resilience to the impacts of climate change**

The majority of Seychelles' essential infrastructure including schools, hospitals, airports, ports and businesses are located along the coastal zones, where the impacts of climate change are more pronounced. While Seychelles has enhanced its mitigation goals, the overexposure to climate-induced shocks implies that government must prioritise the implementation of effective adaptation measures to build capacity to withstand shocks in any forms they may take given its impact on resource allocation decisions. As such, embedding climate change and its direct and indirect impact must be a core consideration in all future planning and decision making, with this approach consistent with findings under the C-PIMA findings when it comes to future infrastructure projects.

Given the cross-sectoral nature of climate change, government will therefore continue to emphasise the importance of incorporating climate change considerations in socioeconomic decision-making and formulation of sectoral plans, policies and strategies. Such an approach will support efforts to achieve a whole-of-society approach towards addressing climate change related issues and thus strengthen adaptive capacity across all sectors of the economy.

The vulnerability of Seychelles' priority sectors to the impacts of climate change pose significant challenges to government's aim to attain an inclusive, resilient and sustainable transformation. For instance, increased flooding and prolonged droughts can have negative implications for food security while sea-level rise and extreme weather events can adversely affect the tourism industry. This highlights the urgent need to implement adaptation measures that minimise and address loss and damages associated with the adverse effects of climate change.

Climate change has the potential to cause considerable damages and irreversible losses. As such, government highlights the need for climate resilient infrastructure and seeks to ensure that climate change issues are mainstreamed into public investment planning processes. In this endeavour, the Government is working on the development of a project pipeline aligned to climate objectives, with the ultimate objective of strengthening resilience of ecosystems and infrastructure in Seychelles.

In addition, an observed increase in coastal erosion and flooding in recent years resulted in considerable efforts to build resilience along the coastal zones. Government has implemented a range of interventions based on the Coastal Management Plan (2019-2024) (CMP), including hard-engineering, short-term strategies such as rock armouring, concrete revetments and sea as well as soft-engineering nature-based approaches such as restoration of the beach profile and beach-dune systems. Nonetheless, deliverables under the CMP have not entirely been met albeit mindful of the funding gap following the pandemic.

As part of its adaptation contribution, government seeks to implement measures in the short to medium term that will support the attainment of energy efficiency, water and food security as well as improve disaster risk management at the national level.

### **Outcome 3: Enhanced national disaster risk reduction, preparedness and recovery capacity**

Seychelles is particularly vulnerable to increased frequency and severity of climate-induced disasters. As such, government emphasises the need to strengthen the country's resilience and mainstream disaster risk management across all sectors. To this end, government remains committed towards the adoption of an effective and coordinated national framework for disaster risk reduction, preparedness and response. This involves initiatives to build the resilience of disaster-prone areas such as the coastal zones, as supported by Seychelles' adaptation goals under the NDC.

To strengthen disaster preparedness capacity, the Seychelles Meteorological Authority (SMA) seeks to improve climate services, which will serve to provide timely and accurate information to climate-sensitive sectors in order to facilitate prompt action. For the duration of this NDS, the SMA seeks to install ten weather stations and establish a multi-hazard based forecasting mechanism. As the Government entity responsible for disaster risk reduction and emergency response in Seychelles, the DRMD seeks to ensure synergies across Ministries, Departments and Agencies (MDAs) for matters relating to disaster risk reduction and management.<sup>15</sup> To strengthen disaster risk coordination across relevant institutions, the DRMD will conduct country vulnerability assessments, which will allow for extensive risk mapping and thus enable the Government to implement effective measures to strengthen capacity across all sectors.

Moreover, as a reform measure under the RSF, government seeks to adopt a comprehensive national Disaster Risk Financing Strategy by March 2025. This will serve to reduce the socio-economic and fiscal vulnerability of the economy to the impacts of climate-induced disasters.

**Outcome 4: Sustainable development mainstreamed through the responsible use and management of environmental resources**

The country remains steadfast in its commitment to achieve effective and sustainable environmental management. As one of the world's biodiversity hotspots, government seeks to ensure the effective management of its protected area network to support a diverse range of habitats and biodiversity.

Seychelles is internationally recognised as a champion in the field of environmental conservation and protection. Thus far, 32.6% of the country's Exclusive Economic Zone (EEZ) and 48.2% of its terrestrial space are designated as protected areas. Through effective management plans, the objective is to promote an integrated approach towards ensuring the sustainability of resources and health of marine and terrestrial ecosystems. In this endeavour, the Government will also work to enhance the legislative and policy aspects within the environmental sector to support efforts to address environmental threats while ensuring that Seychelles fulfils its international commitments, such as the Nationally Determined Contribution (NDC) and Sustainable Development Goals (SDGs).

As part of its efforts to minimize the loss of species and ecosystems, ongoing efforts to address invasive species will be strengthened through a two-fold increase in the number of sites under invasive plant species/creepers management as well as programmes to eradicate and/or control invasive alien species by 2028. This will also involve programmes to restore and maintain the health of ecosystems.

**Outcome 5: An effective and sustainable waste management system**

Solid waste management is a critical challenge in Seychelles owing to factors such as limited economies of scale for recycling and scarcity of land for landfills. The Providence landfill, which is the primary waste disposal site, is expected to reach maximum capacity by 2025, seven years ahead of its initially expected timeframe. This has been attributed to poor waste management implementation over the lifespan of the landfill.

The country currently generates approximately 90,000 tonnes of waste per year. This is projected to increase to 130,000 tonnes by 2035, posing significant risks to the state of the environment, human health, safety and in more recent times, visitor perceptions. As such, government recognises the urgent need to better implement an integrated and sustainable solid waste management approach that is environmentally, socially and financially responsible.

<sup>15</sup> The work of the DRMD is guided by the National Integrated Emergency Management Plan (2019-2024) and the National Disaster Risk Reduction Strategic Plan (2021-2030), which are in line with the Sendai Framework for Disaster Risk Reduction (SFDRR).



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To this end, government has sought assistance from the World Bank Group (WBG) to strengthen the country's capacity to effectively and sustainably manage its increasing waste and support the implementation of its Solid Waste Masterplan (2020-2035). Through a soft loan of US\$ 5 million, the WBG will provide assistance for the implementation of a Solid Waste Management and circularity project that will seek to implement short to medium term measures that will extend the lifespan of the landfill, promote waste reduction and build solid waste management capacity. In this endeavour to improve solid waste management, government is promoting the circular economy concept, whereby resources are kept in use for as long as possible and waste is minimized through waste reduction and recycling measures. As per the Masterplan, about 40% of waste generated in Seychelles is organic waste. This highlights in the potential in developing the circular economy sector to divert organic waste into compost and thereby create economic synergies within sectors under the Transformative Economic Agenda.

In addition, the Extended Producer Responsibility (EPR) policy which has recently been approved seeks to ensure that producers, importers and distributors take responsibility for their products throughout its lifecycle. This includes the environmentally sound disposal of products, which will play an important role in reducing the public cost of waste management.

The Solid Waste Management and circularity project will support efforts to reduce waste reaching the landfill by approximately 30% and increase the proportion of organic waste diverted from the Providence landfill by 0.3% by 2028. By strengthening the solid waste management sector, successful implementation will reduce the volume of waste reaching the landfill, which will therefore serve to extend its lifespan. Furthermore, diverting organic waste from the landfill will reduce methane emissions from the landfill, thus supporting Seychelles' mitigation objectives outlined in its NDC.





# 3

## Implementation





# 3 Implementation

## 3.1 Overview

This NDS 2024-2028 is the penultimate strategy to Vision 2033, and as such plays a critical role in advancing the Nation's top development priorities for good governance, resilient economic growth, quality public services for all, and thriving natural ecosystems, in a context of climate change. In effect, our country's future fundamentally relies on the NDS' effective and efficient implementation.

In light of this, the implementation chapter presents the roles and responsibilities of each stakeholder and citizen and the mechanisms to ensure monitoring and inter-institutional coordination. This is mindful of the fact that the NDS requires stakeholders to take increased considerations of developments and a better understanding of the interlinkages between the implementing agents. Undertaking this approach successfully guides all stakeholders across time and thereby brings the country closer to attaining its long-run objectives, as prescribed under Vision 2033, Agenda 2063, and the 2030 Agenda for Sustainable Development.

Supported by the Results-Based Management (RBM) framework which became fully institutionalised across Government in 2022, the implementation strategy aims to strengthen and maximise the use of the existing institutional arrangements and further promote the harmonization across all the RBM pillars. This will be facilitated by the portfolio-based sector approach adopted for a more efficient improvement in planning, resource allocation, prioritization, and budget execution, whilst developing the required cultures and institutions needed.

Thus, the realization of the strategy calls for commitment, inclusivity, transparency, and accountability by all. Such efforts require the government to adopt a target-centric approach within its workforce to attain the deliverables prescribed under the NDS 2024-2028, whilst being mindful of the need to break silos at ministerial and departmental levels, while redefining what is expected as a public servant.

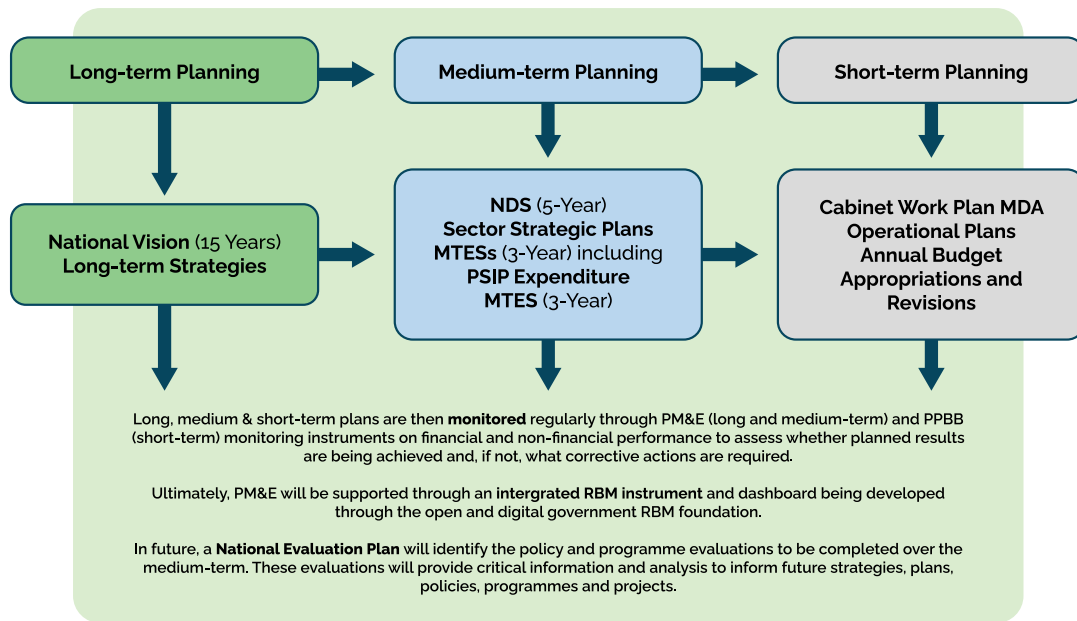
In consideration of the above, emphasis will be placed on key enablers, which will assist in supporting the implementation of the NDS and can broadly be classified as follows:

1. **Ownership by all**
2. **Institutional arrangements guided by the RBM policy framework**
3. **Strengthening and innovating public service management**
4. **Strengthening the National Statistical System**
5. **Financial Sector Accelerator**
6. **The Digital Economy Agenda**
7. **Effective Human Resource Planning**
8. **The Role of Investment, Entrepreneurship & Industry**
9. **Provision and Mobilization of adequate financing**
10. **Change management and Capacity strengthening**
11. **Communication, consultations, and participation**

The Portfolio's sectoral plans and annual work plans, Medium Term Expenditure Strategies (MTES), and annual budgets will serve to complement the implementation process of the NDS. As such, these instruments will require alignment with the NDS outcomes and indicators for a more harmonised monitoring and evaluation framework. In this sense, the NDS will continue to guide the allocation of resources, thus allowing for the effective monitoring of MDAs' performance.



Diagram 3.1: Hierarchy of long, medium- and short-term planning



### 3.2 Recent Implementation Challenges

Since 2013, government has been implementing the RBM framework in different phases. With its full launch in 2022, this implied full implementation of a performance-based system, with outcomes impacting the performance-based pay for public servants and providing a legal framework for the private sector.

However, nascent results from the public sector suggest that substantial work is needed to further improve RBM implementation. The exercise highlighted key deficiencies impacting government service delivery, key of which being silos and leadership deficiencies, suboptimal portfolio-based sector strategic planning process, finance-centric decision making, data gaps, noted capacity gaps in financial forecasting, human resource gaps and a lack of understanding and implementing long-term plans amongst others. As such and while deficiencies vary across institutions, substantial work is still needed in mapping out deficiencies, as well as the role of the enablers. However, high level support and commitment remain strong with a Steering Committee established to guide the implementation process at a technical level. By the end of 2024, all portfolio-based sector strategic plans should be published, embedded with NDS priorities and aligned with respective MTFs. These strategic plans should be aligned with the NDS and further supported with capacity building taken at a government level in targeted areas, whereby significant improvements are expected to be made to the enablers.

### 3.3 The Importance of the Enablers

With the assessment of the priority areas, common areas of concern highlighted the role of government as a policymaker and its role as facilitator to the private sector. Thus, the concept of enablers refers to supporting mechanisms required to optimize the outcomes of the NDS, and are more often than not cross-cutting in nature.

The enablers were identified during stakeholder discussions, past iteration of the NDS and addresses most of the deficiencies identified. The nature of the enablers implies that whilst tangible and direct effects or impacts of any single enabler may be difficult to measure as an outcome, its overarching effects across a successful implementation NDS cannot be disregarded. As such, whilst resource allocation, prioritization and implementation timeline differ across the enablers, it is vital that progress and challenges are easily identifiable given the effects. Moreover, given the demographic challenges, increased digital capacity not only in terms of processes for efficiency gains but also in terms of human resource capacity, will be needed and

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as such, should be mindful as to how the enablers are to be implemented. This shall facilitate the shift to a more data-centric decision-making process and ensure that overall ease of doing business is improved in the short run. In the long run, the enablers should greatly facilitate the mindset change needed as well assist in addressing structural deficiencies. Last but not least, is the critical role of the private sector whereby government is required to improve structures such that the sector is aligned to Vision 2033 and remain appraised of key outcomes needed in its attainment. That is, for government to be the facilitator of growth, with the private sector being the driver.

**3.3.1 Ownership by all**

The responsibility for the effective implementation of the NDS is to be considered within a whole-of-society approach, where public and private stakeholders use the NDS to speak a common language and collaborate on common objectives. In this context, all Ministries, Departments and Agencies endorse the NDS and assume responsibility for its implementation.

Indeed, for the effective and successful implementation of the NDS, a strategic collaboration with all stakeholders is of vital importance. Therefore, the need to build ownership of the plan, strategies and goals must resonate at every level of society. The primary component of this will be strong political will and commitment by all three branches of the state, key of which being knowledge across all levels of the Executive branch.

A collective effort and shared responsibility must emerge from all actors involved to ensure the country's long-term and sustainable development outcomes are attained. From the citizens and community-based organizations to the President of the Republic, each development stakeholder has a key role to play and is accountable for it. The table below underscores the roles and responsibilities for NDS implementation at the highest levels.

3.2 NDS Roles and Responsibilities

Position/ Institution	NDS Roles & Responsibilities
<b>President</b>	Accountable for the establishment of national priorities and the overall performance of government in achieving the national vision and the results set out in the National Development Strategy (NDS).
<b>Vice President</b>	Responsible for delivering the President's NDS-related roles and responsibilities, including presiding over Cabinet on NDS matters, during the President's absence.  Accountable for achieving the results set out in NDS instruments for the departments and agencies under his or her authority.
<b>Cabinet</b>	Accountable collectively for reviewing, approving and ensuring the alignment and synergy of national priorities and key strategic planning instruments, monitoring their implementation and determining when corrective actions are required.
<b>Ministers</b>	Accountable individually for achieving the results set out in NDS for the MDAs under his or her authority.
<b>Minister MoFNPT</b>	As the Minister responsible for national planning, accountable for effective coordination of the NDS across government and its integration with the other RBM pillars.
<b>Principal Secretaries, Heads of Departments &amp; Agencies</b>	Accountable for ensuring that the NDS is implemented effectively, efficiently and transparently in their MDA, working collaboratively with all institutions across their portfolio, and ensuring that all staff under their authority contribute to the achievement of results set out in relevant NSP instruments.
<b>The National Assembly</b>	Accountable to voters for oversight of performance and of the use of public resources. It reviews and approves (appropriates) expenditure proposals from the executive; holds the executive to account for the use of funds as appropriated; conducts policy performance reviews through in-year and ex-post oversight.

Government remains committed to ensuring the bottlenecks and challenges identified for the ease of doing business are addressed to ensure the creation and maintenance of a conducive environment that will support and facilitate the operations of the Private Sector. As a result, policy reforms in critical areas will be implemented to improve the business environment, with particular emphasis placed on encouraging the use of digital platforms, enabling increased access to finance, streamlining bureaucratic processes, facilitating skills development, and promoting exports.

As government continues to undertake major initiatives -such as public sector reforms and many other transformational adjustments to key institutions- civil society and the media will play a crucial role in the development and implementation process. Government acknowledges the efforts and contributions of the civil society and aims to further strengthen partnership and collaborative instruments that will facilitate deeper interaction with the non-governmental organisations (NGOs) for a more impactful civil society sector. Building stronger partnership between civil society organisations (CSO) and the government is made possible through the Open Government Partnership (OGP) initiative, which serves as a platform to reinforce collaborative efforts and ensure the principles of good governance, transparency and accountability are met.

### **3.3.2 Institutional arrangements guided by the RBM policy framework**

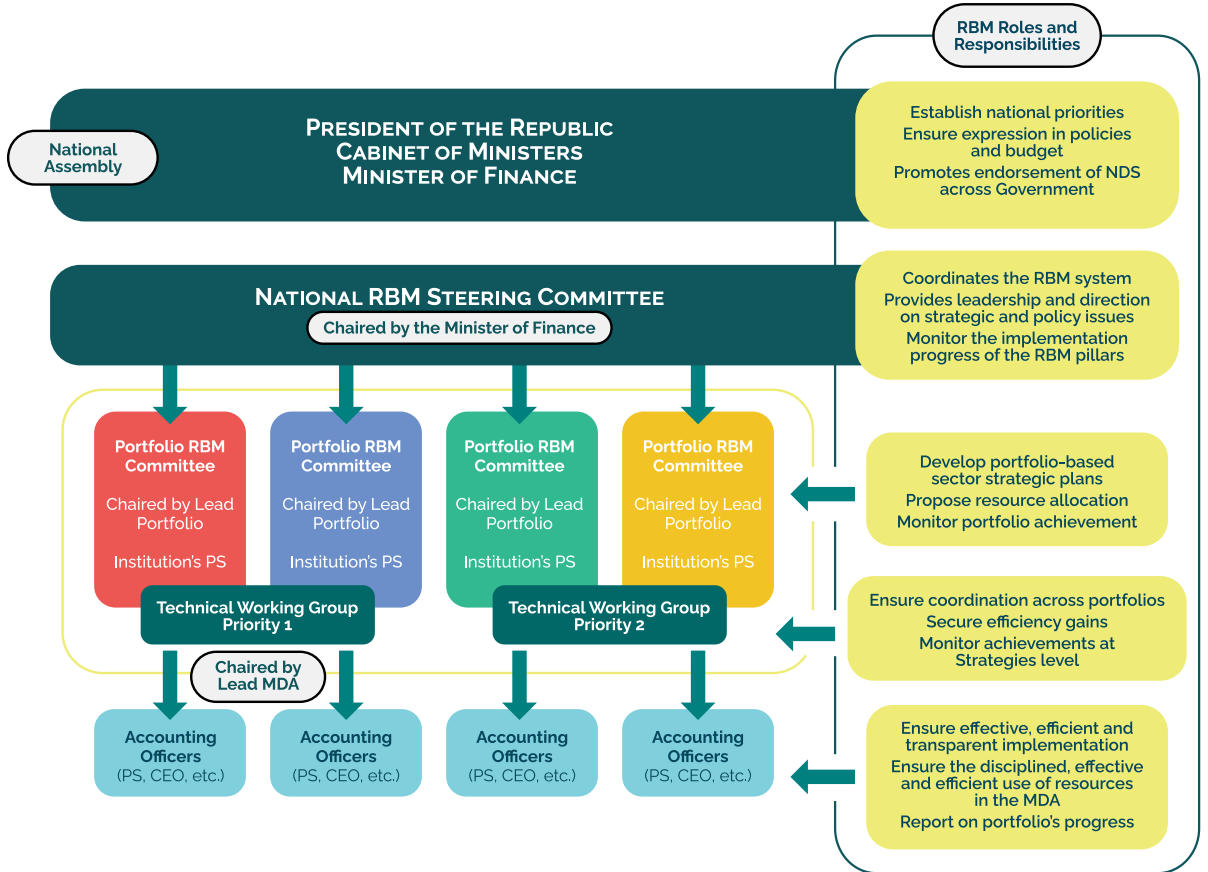
The Ministry of Finance, National Planning and Trade has the primary responsibility for the coordination, implementation, and monitoring of the National Development Strategy. A National RBM Steering Committee, chaired by the Minister of Finance, National Planning, and Trade, will be responsible for strategic oversight and direction, ensuring overall coordination and interaction between Ministries, Department and Agencies, and other development stakeholders such as private sector entities, civil society organizations, academia, and international partners.

The National RBM Steering Committee, formed in 2017 and chaired by the Minister responsible for Finance, oversees the coordination and implementation of the RBM policy framework through its four pillars intending to provide a more integrated approach to strengthening public sector performance. The RBM Steering Committee essentially enables the successful implementation of the RBM system and ensures a coordinated approach to the design and implementation of the RBM pillars. At the portfolio level, a portfolio (ministerial) RBM Committee, chaired by the lead portfolio institution's Minister, will oversee RBM implementation and harmonization across all portfolio MDAs. Specifically, the portfolio RBM Committee of the respective priority area will be responsible for developing Portfolio-based Sector Strategic Plans, proposing how available portfolio resources are to be distributed between MDAs; and reviewing in-year progress on MTESs to propose mid-year reallocation of resources to the MFNPT.

To further strengthen engagement and promote greater coordination between the relevant stakeholders, Technical Working Groups (TWGs) will be established for each of the six priority areas to facilitate the exchange of information and common resources for the attainment of each of the priority objectives. Guidance and oversight of the 6 TWGs will be provided by the RBM Steering Committee. The Terms of Reference will be developed to outline the mandate of the TWGs and the roles and responsibilities of all members. The figure below illustrates the institutional framework required to support the implementation of the NDS.

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Diagram 3.3: RBM Institutional Structure



A longstanding weakness observed during the drafting of the NDS was the lack of standardised operational structures across portfolios. This weakness implies that common core functions of government and operational processes across ministries vary greatly and provide different levels of service delivery and thus, accountability. As such, the concept of a one-government approach is very much needed to improve service delivery.

The success of national and portfolio-based sector strategic planning requires the establishment of clear, effective and efficient institutional arrangements at varying levels within a ministry and comparable frameworks across government. This is meant as a means of implementing institutional improvements and having structures that benchmarks progress and isolate areas of concerns. Such structural reforms and approach are part of the Results-Based Management agenda and of note, is that each pillar of RBM requires institutional drivers to ensure all RBM aspects are embedded and standardized across all portfolios.

The National Planning Department (NPD) is responsible for National Strategic Planning (NSP) and is, therefore, responsible for the implementation of the NDS, its monitoring and evaluation, and the reporting thereof to Cabinet, the National Assembly, sectoral partners, and the general public. The department will provide oversight and support to all MDAs, assisting them in addressing deficiencies, solving major constraints impeding the implementation of the strategy, reviewing performance reports of all MDAs, and taking corrective actions where appropriate to improve on delivery of results. In order to carry out its role to the fullest support will be given to the NPD to strengthen the development planning function in Seychelles, and to ensure effective integration with PPBB, PM&E and, over time, PMS to deliver the efficiency and effectiveness gains.

The RBM policy and guidelines will assist the Department in the implementation of its mandate and functions, strengthen the coordination function to enable it to guide sectors accordingly on the design, implementation, and monitoring of the Vision, national development strategy, and portfolio-based sector strategies. An important precondition is the need to strengthen the design, implementation, and monitoring of portfolio-based sector strategic plans. Therefore, the NPD will continue to strengthen its efforts on aspects such as the coordination of the design and implementation of portfolio-based sector strategic plans, validation and integration of these plans into the NDS, and quality assurance.

Being one of the pillars of the RBM, the design and implementation of Performance Monitoring and Evaluation (PM&E) should assist the portfolio committee and government in identifying areas of weaknesses based on performance relative to targets set at an MDA level. Hence, all Principal Secretaries and other accounting officers will be required to establish a robust monitoring system within their respective departments and agencies to periodically capture information against indicators set in their strategic plans and in the NDS. At an aggregate level, PM&E will assist identifying commonalities in terms of challenges faced and assist in optimizing the resource allocation needed. The RBM guideline outlines the mechanism and tools employed to ensure standardisation in monitoring and evaluation processes.

Furthermore, given the need for standardized reporting needs, PM&E templates and RBM dashboards will be developed and used for sector and national reporting to Cabinet at both mid-term and the end of each fiscal year and presented at review meetings as a basis for assessing department and agency performance. Moreover, the process requires allocation of responsibility as designated by the portfolio Minister with portfolio representative expected to be the conduit of any RBM-related matters. In the short run, the Public Service Bureau (PSB) and Ministry of Finance, National Planning and Trade will spearhead the objective of further strengthening the RBM framework by ensuring alignment of the pillars to assist in deliverables set under the NDS and other supporting objectives.

### **3.3.3 Strengthening and innovating public service management**

Following ongoing and future diagnostics of performance in the public service, results will be used to identify and address major issues. This is in order to map out performance as a means to identify avenues in boosting productivity and addressing gaps.

As such, the new performance management policy and framework is now used as a means to map out individual performance relative to targets. This will include various human resource mechanisms for staff appraisals, performance contracts, an incentives framework to elevate public service performance and a monitoring tool to track implementation. Capacity-strengthening will be provided to the HR Forum on change management and the design, sensitisation and familiarisation of staff with a wide variety of HR tools such as talent attraction, indicators and targets to be incorporated into job descriptions, common performance standards and career management to help facilitate the rollout of performance management.

In addition, the concept of the Public Sector college will be developed in conjunction with The Guy Morel Institute (TGMI), whereby a list of options for capacity-strengthening tools will be developed, and coaching to accompany the rollout of the new performance management model. Nonetheless, the initial rollout of the 4 pillars has shown key areas of weakness, including the lack of technology, weak change management culture, longstanding silo mentality and gaps in strategic planning. However, with the mindset of perpetual improvement and increased technological inputs in reducing administrative inefficiencies, a medium to long-run approach is required to embed improvements in the public service.

### **3.3.4 Strengthening the National Statistical System**

According to the OECD, the National Statistical System (NSS) is the ensemble of statistical organisations and units within a country that jointly collect, process and disseminate official statistics on behalf of the government. Evidently, statistics plays a pivotal role in strengthening accountability, planning, policy and informed decision-making across government, private sector and the general public. For that reason, the successful and effective implementation of the strategy requires the need to strengthen the NSS.

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This will allow data gaps and other statistical issues to be addressed through the production of timely, quality and disaggregated data, which is to inform the various stages of the strategy and provide the foundation for any resource or policy adjustment needed. The existence of data gaps has become more evident with the evolution of the statistical ecosystem and the increasing demand for statistics triggered by socio-economic changes, new reporting requirements in line with the portfolio-based sector planning approach and the need to improve public trust in institutions with empirically backed evidence of performance.

The National Bureau of Statistics (NBS) plays a critical role in ensuring quality data is readily available for use and retains the primary responsibility for the collection, compilation and dissemination of the relevant statistical indicators. In an effort to create a modern and efficient NSS, the NBS has elaborated the National Strategic Plan for Statistics (NSPS) 2023-2027 which seeks to build a reliable statistical system that produces the data necessary to design, implement and monitor national development policies and programmes. The maiden National Statistical Plan for Statistics (NSPS) developed by NBS in collaboration with key public and private institutions recognises the changes on the statistical landscape and effects of externalities such as COVID-19. To this effect, the new NSPS is intended to bolster transformation and modernisation of the NSS, embrace new actors and non-traditional data sources such as big data, spatial data and citizen-generated data. It will entail strengthening statistical capacity and innovation in the NSS, including modernisation of administrative data systems to produce high-frequency statistics.

#### **3.3.5 Financial Sector Accelerator**

In the short run, the country's openness remains a risk should access to the global financial sector be restricted. This can translate into higher risk premiums for debt, higher investment return requirements, increased transaction costs, and loss of digital banking privileges amongst others. As such, capital mobility is a critical enabler in ensuring the right economic environment in maintaining market access. For this reason, the government is committed to pursuing rigorous financial services sector reforms aimed at facilitating increased participation and driving economic transformation.

Necessary amendments to existing legislations will be made to reflect challenges and opportunities from the sector, improve the services provided, and maximise potential beneficial gains, particularly regarding the insurance sector, pension funds, Virtual Asset Services Providers (VASP), and gambling markets. Additionally, to improve the use and participation within the financial market, and enable businesses to raise alternative sources of finance, key amendments will be made to the Capital Market Act.

Domestically, further measures are needed to reduce transaction costs and information asymmetry, whilst equally mindful of the need for improving security and efficiency. Although Seychelles has recently been re-added back onto the EU list of non-cooperative jurisdictions for tax purposes, the government continues its efforts to ensure adherence to the highest international standards which will in turn attract potential investors and businesses required to stimulate growth and development of other economic sectors.

In light of the above, the Central Bank of Seychelles will undertake the necessary steps to modernize the national payment system and increase the use of digital payment platforms. Furthermore, the development of the Credit Information System (CIS) will assist in reducing information asymmetry among consumers and businesses, with the objective of reducing risk premiums on credit seekers. Furthermore, the Financial Consumer Protection Act (FCPA) presents a framework for handling financial consumer disputes fairly, reasonably, and effectively. Access to credit is expected to improve further with new developments within the capital market. Assessments of the financial sector landscape will be heightened and complemented by required reforms to promote transparency and to stimulate investment into sustainable economic activities. This however must be aligned to the Central Bank of Seychelles' price and financial stability mandate.





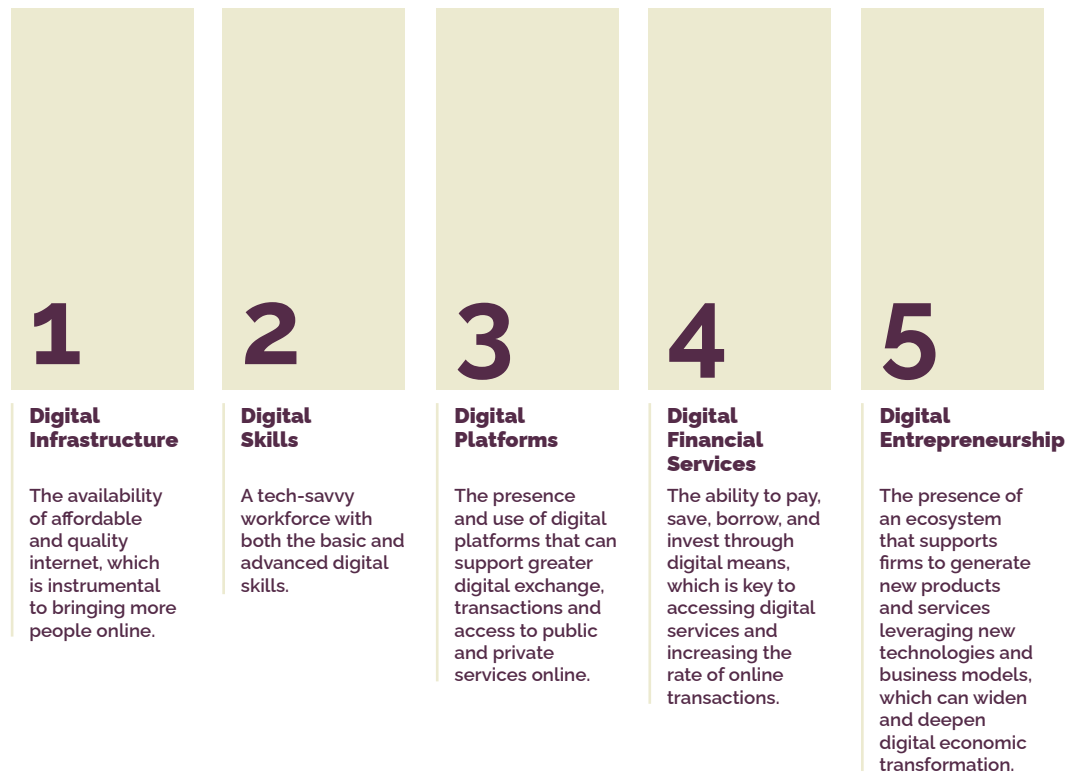
### 3.3.6 The Digital Economy Agenda

Following a diagnostic survey which was conducted by the World Bank in 2018, the government devised a national digital economy strategy that seeks to address the challenges hindering the overall performance of the digital economy as an enabler for economic development. The survey identified key obstacles and includes poor connectivity and accessibility of ICT in schools, limited pool of tech-savvy professionals, outdated legislations, and affordability issues for mobile broadband.

Digital improvements and innovation is an essential ingredient for economic diversification and productivity. As such, the Digital Economy Agenda which outlines a set of key recommendations, aims at digitalizing prioritized processes with the objective of improving government and economic efficiency, improving the country's digital and financial infrastructure and addressing the current and future labour gaps observed. Several reforms have since been introduced to promote modernization and innovative practices.

To ensure implementation of the key digital initiatives and reforms across different sectors, a high-level steering committee spearheaded by the Ministry of Finance, National Planning and Trade was established. The committee is responsible for providing oversight guidance on an action plan focused on the five pillars as illustrated below. The focus on the five pillars aims to support sustained economic growth in the digital sector, including the introduction of online portals and mobile apps which would allow public services to become more accessible, efficient, and responsive to the needs of citizens. The Digital Economy Agenda recognizes the importance of ICT in the implementation process, with prioritization given to digitalizing government processes which will support the creation of a more conducive business environment.

Diagram 3.4: The Pillars of the Digital Economy Agenda



The sequencing of actions have been aligned with developments within the NDS, to ensure that it serves as building blocks in addressing areas of weaknesses. Considerable progress has been made to this end as evidenced by the recent launch of the digital identification system, and government remains committed to ensuring its full realization in facilitating and supporting socio-economic development.

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#### **3.3.7 Effective Human Resource Planning**

The consultative process with the private and public sectors highlighted several skills gaps within the domestic market thereby, increasing reliance on foreign labor. This relates not only to the availability of labor but also that of quality and reliability, with the gaps appearing across all wage strata and sectors. Whilst data indicates a fairly low unemployment rate, the size of the informal sector is one that is of concern and more acute considering the longstanding double-digit rate of youth unemployment.

In light of this, the government, in conjunction with key stakeholders, launched the Education Loan Scheme as a means of immediately addressing human resource gaps by offering courses within priority areas at concessional rates and tenure via participating banks. Moreover, the country is currently drafting a National Human Resource Plan based on the assessment of current and future gaps and is focused on readjusting the education process to align with the necessary needs. This process will permit the government to prioritize key segments across time with key stakeholders, including the private and education sectors, adjusting their processes to attain the expected outcomes in support of the realization of Vision 2033.

#### **3.3.8 The Role of Investment, Entrepreneurship and Industry**

The Ministry of Investment, Entrepreneurship & Industry has two key strategies relating to modernizing the investment framework and facilitating sustainable diversification, aligned with the priority sectors. With regards to modernizing the investment framework, key interventions include a comprehensive review of the legal framework, streamlining and digitalizing investment services, and institutionalising public and private sector engagement. Given the small economic base, channeling foreign investment into priority areas will support further growth whilst assuring that private sector views are incorporated as part of the policy process.

The latter strategy includes interventions relating to establishing incentive mechanisms to promote the production of high-value products, building public-private partnerships, and growth of the export market. The recently launched SDG Investor map additionally serves as a guiding document aimed at promoting key priority areas in line with the 2030 Agenda for sustainable development. The SDG Investor map results from a collaboration between the Ministry of Investment, Entrepreneurship and Industry (MIEI) and the United Nations Development Programme (UNDP) which outlines concrete and emerging Investment Opportunity Areas (IOAs) aimed at attracting private capital to national development needs and policy priorities in five sectors with strong positive SDG impacts. The five priority sectors are as follows:

- i. Renewable Resources And Alternative Energy**
- ii. Services**
- iii. Food And Beverage**
- iv. Infrastructure**
- v. Technology And Communications**

These five priority areas are subject to change based on an evolving market, enabling market conditions, and national development priorities and such will require regular review to ensure the IOAs are consistent with current and future needs of Seychelles.

#### **3.3.9 Provision and Mobilization of adequate financing**

The provision and mobilisation of financing implies the need for adequate resources, strengthening partnerships, and effective budgeting and information management systems. Limited access to concessionary loans, based on our graduation to high income, poses a challenge in bridging funding gap required for the much needed development. Whilst government funding mobilization policy needs improvement, a more restrictive environment exists in the post-pandemic world regardless. As such, efficiency gains, targeted policies and technological substitution will need to complement improved finance mobilization to attain long run targets.

### 3.3.10 Change management and Capacity strengthening

The concept of change management is where an organisation undertakes the necessary steps to bring about organizational change by modifying longstanding structures and behaviour. This concept is one that is critical as despite the fact that the RBM framework provides the structure of implementation, longstanding structural weaknesses, cultures and silo mentality need to be adjusted to better embed a one-government approach. As such and given Seychelles' financial and human resource constraints, the plan will only be successfully achieved if, as a nation, we are able to pool our resources together as the successful implementation of the NDS will not only require significant investment, but also a culture of driving for efficiency gains and improving synergies. This requires building and strengthening of our institutional capacity and developing human resource ability at all levels to sustain our efforts.

This calls for multilevel transformation to change the way MDAs think and act, how they view their changing roles, boosting knowledge exchange and ensuring that public servants have the necessary baggage and culture to deliver in their roles. Essential to this process will be securing the understanding and support of top-level leadership, striving for performance improvement, process reform and greater use of management information systems and other information technology, in order to create empowered institutions responsible for customer-centred services.

### 3.3.11 The Private Sector

A thriving private sector is seen as a critical factor behind the successful implementation of the National Development Strategy. In the previous NDS, the use of Public-Private Partnerships in addressing the gaps was seen as an absolute necessity and in the short run, private sector challenges included financial access and cost of capital, the required economies of scale, labor gaps and quality, market access, and high energy costs.

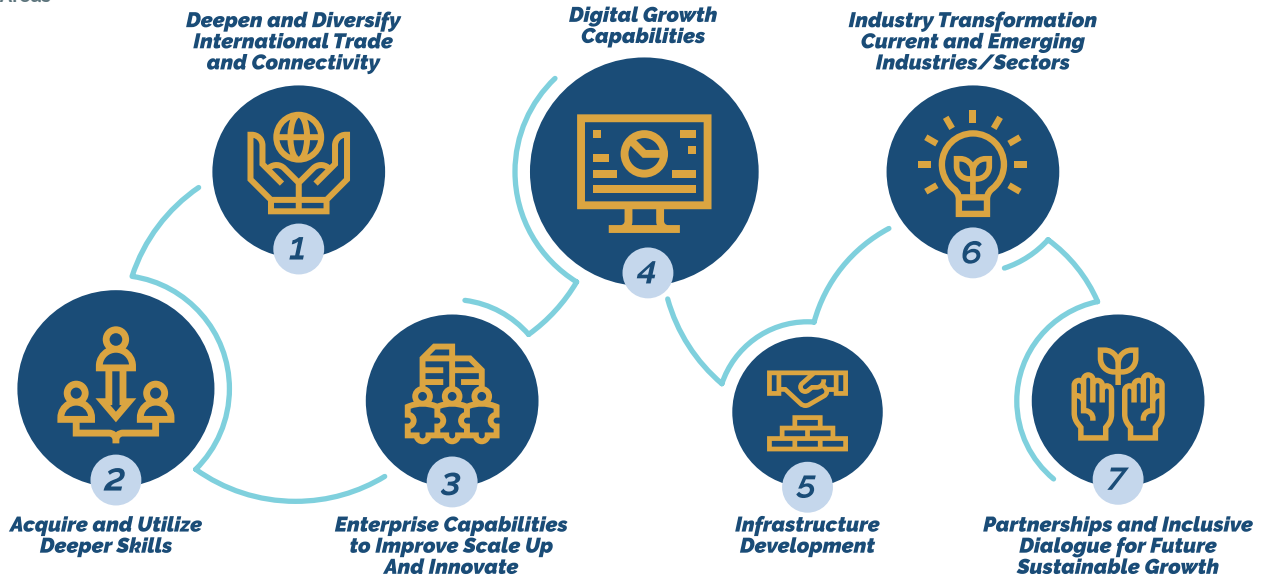
The post-pandemic environment required a reassessment of conditions given the unknown health of businesses and establishing if aforementioned challenges were not readjusted in terms of its magnitude. The exercise highlighted similar challenges relative to the previous NDS, albeit with greater uncertainty given the rapid consolidation path of government, impact on tax policies and expenditure areas.

The exercise highlighted the need for an improved communications framework between government and the private sector. In light of this, The National Business Agenda of the Seychelles Chamber of Commerce and Industry was used as a framework in establishing thematic links between the private sector and that of government. Thereafter, improved input of key stakeholders was sought in areas linked to the Digital Economy Agenda as well as ensuring priority areas encompassed challenges raised by the private sector.

Whilst further work is needed, increased involvement in formulating policies, an improved communications framework to better shape expectations and improving the mechanisms between government and private sector are seen as priorities. This is mindful of the significant funding gap locally and the need for improved private sector involvement in raising the necessary funds and assist in addressing common challenges where feasible. The diagram below illustrates the seven key priority areas identified by the Seychelles Chamber of Commerce and Industry (SCCI) as part of the National Private Sector Agenda post-pandemic, which aligns to the priority areas as set in NDS 2024-2028 and the national Vision 2033, albeit subject to prioritization differences.

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Diagram 3.5: SCCI COVID Response Priority Areas



Source: Framework for Recovery and Prosperity: The National Private Sector Agenda

**3.3.12 Communication, Consultations and Participation**

The formulation of the NDS is not the end of the participation process, but rather a beginning to a set of commitments and a continuity of past successes and lessons of past failures. Communication will be a key element of ensuring ownership of the plan and commitment to its implementation. A communication plan will be developed and various tools will be produced toward the implementation of the plan. The NDS communications plan is intended to address the communication gaps that were identified during the implementation of past development plans and strategies. It is hoped that the plan will lead to an enhanced understanding and participation of the stakeholders and the general public in the NDS activities, programmes and projects and should also lead to improved ownership and implementation of the plan.

Mindful of the above, a critical weakness identified in the formulation process of the NDS was the ability to shape and manage public expectations. This is in view that despite substantial efforts made in the past, public and government knowledge of long run targets is not at the desired level and as such, impacts the overall understanding of how policy decisions evolve across time, beyond a political cycle. This requires alignment of the communications framework of government within a standardized structure, whilst ensuring that complaints handling and queries are addressed as a measure to build public trust in public institutions.

Moreover, a comprehensive communications framework is critical in conveying the concept of the NDS, the one-government approach requires a structure that manages the expectations of the public. The challenge lies in the fact that long run objectives are not necessarily well known and understood. In addition, vested interest in long run challenges may not be part of everyday concerns of the general population. As such, there is a need to not only communicate the merits of the NDS and long run commitments but equally as important, highlight how short run sacrifices are needed to attain long run objectives and address longstanding structural challenges.

The involvement of stakeholders will be fundamental to the successful implementation of the NDS. The main mechanisms for securing consultation with and participation of stakeholders in the implementation of the NDS include:

- **Involvement of existing stakeholders through meetings and public forums.**
- **Representation of key stakeholders on inter-ministerial and inter-sectoral committees, thematic working groups, and technical advisory bodies and committees.**
- **Private sector engagement through the establishment of formal platforms**
- **Community involvement in information gathering e.g. through surveys and census.**
- **Community and civil society reporting on projects and indicators.**
- **Public education campaigns to raise awareness of the NDS and as a means of mobilising ongoing stakeholder involvement and interest to support specific steps in the implementation process.**

### **3.4 Conclusion**

The successful implementation of the NDS calls for a strategic approach and a number of preconditions have been specified. Challenges of the past have been identified and future targets have been set. Moving forward, a results-focused monitoring and evaluation framework will remain the basis for achieving the targets set. Moreover, given future uncertainties coupled with the long-term nature of the strategy, NDS 2024-2028, will remain a "living document" with revision of the targets as and when appropriate. Nonetheless, the NDS must be seen as more than a document but also the driver of institutional and behavioural changes that are needed at a country level.



# Macroeconomic & Fiscal Consistency of The NDS



# 4 Macroeconomic & Fiscal Consistency of The NDS

## 4.1 Introduction

Implementing long run plans requires anchoring price stability in the short run and the ability to benchmark socio-economic performance relative to forecasts, plans and targets in the medium to long run. Thereafter, an assessment must be made if aforementioned plans and targets matched the desired outcome. Moreover, to manage risks any country faces require sound contingency planning and efficient allocation of resources across time. In doing so, long run objectives remain attainable, albeit not necessarily based on original outcomes but rather how long run plans evolve given the short and medium run conditions.

Mindful of the above, Seychelles is a small island open economy, is heavily import dependent, with outdated infrastructure primarily oriented towards tourism, finite ocean and land resources whilst being heavily dependent on imported labor. Given the contextual challenge, this requires not only sound macroeconomic management but an acceptance that risks may be due to longstanding structural challenges and as such, reemphasizes the urgency for improved long run planning –key of which being required infrastructure needs- and synergies needed to short and medium run objectives. On a related note, Seychelles' recent track record indicates that whilst there are the occasional short run price shocks, fiscal discipline has resulted in an improved medium-term outlook as evidenced by improvements in multiple macroeconomic indicators over the past 15 years. This therefore suggests sufficient technical capacity and political will exist in attaining short run price stability and medium run stability.

Thus, it is imperative that any long run development strategy must be one that is aligned within the fiscal envelope, reflective of the macroeconomic environment and resource constraints faced, all while being considerate of impacts of forecast deviations and risk events on long run objectives. For Seychelles, long run targets are anchored on Vision 2033, which provides qualitative long run outcomes of policies on the basis of climate resilience and socio-economic transformation.

Currently, the country does not have the technical capacity to generate long run general equilibrium models in assessing policy effects over time as well as capturing the NDS effects over current baseline trends. As such, to manage consistency and track macroeconomic progression of NDS policies on growth, the impact of enablers, embedded planning, forecast error analysis, using the RBM mechanism, fiscal and debt position, and technical discussions will form the foundation of ensuring the long run outcome.

## 4.2 The COVID-19 Impact and the New Recovery Path

In 2019 and at the start of a new NDS, macroeconomic projections indicated sustained economic growth as public debt strategy remained aligned to the target of 50% of GDP by 2021. Other key priorities for the year announced by government included measures to:

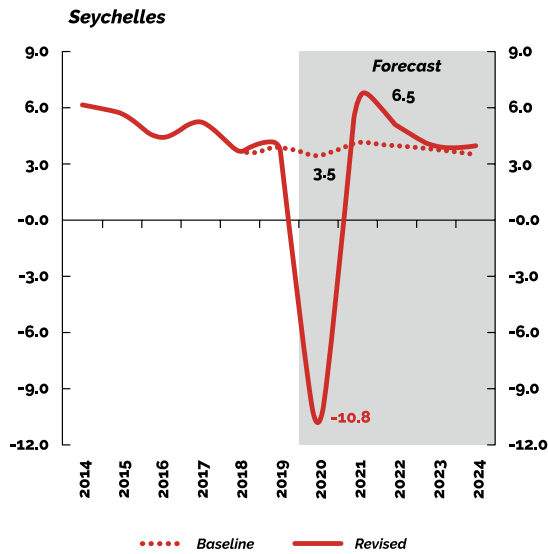
- **Consolidate social programmes;**
- **Invest in infrastructure to support economic growth;**
- **Invest in programs and projects that will improve the lives of all citizens; and,**
- **Ensuring the sustainability of social systems despite the demographic, political and socio-economic pressures on social spending mindful of long run constraints**

Such an approach was aligned with the NDS 19-23 targets, more specifically with the pillars of Social Cohesion and Economic Transformation. Then came the pandemic.





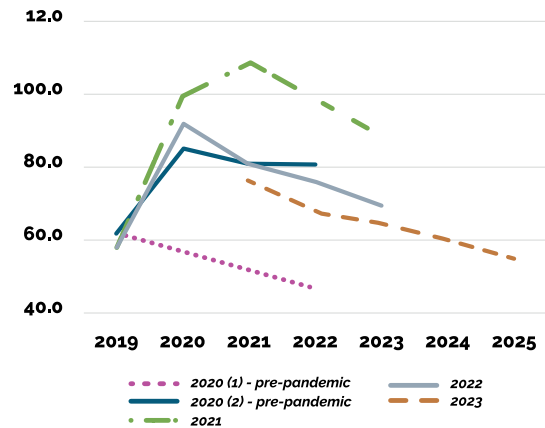
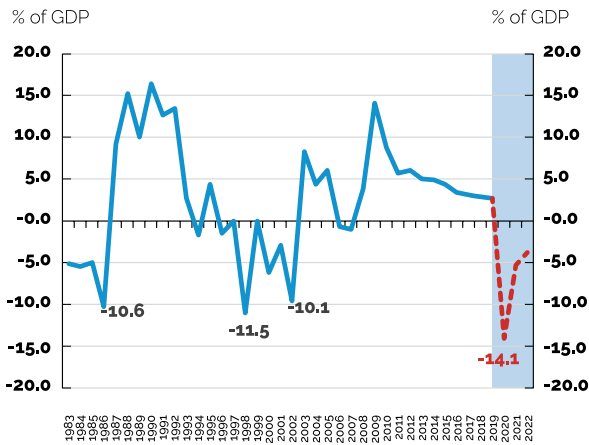
Box 4.1: Pandemic Impact on Initial Budget (2020) and Recovery Impact



	2020 Budget	2020 Amended	Diff
<b>Real GDP Growth</b>	<b>3.5</b>	<b>-10.8</b>	<b>14.4</b>
<b>Sectoral Growth</b>			
Tourism			
Accommodation and food service	5.0	-50.0	-55.0
Transportation and storage	3.0	-25.0	-28.0
Administrative and support service	4.0	-50.0	-54.0
Arts, entertainment & recreation	3.0	-20.0	-23.0
Information and Communication			
Information and Communication	5.0	3.0	2.0
Construction			
Construction	4.0	-1.0	5.0
Manufacture of concrete, rock products			
Manufacture of concrete, rock products	3.0	-3.0	6.0
Wholesale and retail trade			
Wholesale and retail trade	4.0	-15.0	19.0
Manufacture of food			
Manufacture of food	4.0	14.0	10.0
Agriculture			
Agriculture	2.0	6.0	4.0
Fishing			
Fishing	1.0	10.0	9.0
Human health and social work activities			
Human health and social work activities	3.0	10.0	7.0

Initial budget forecast indicated a moderation of growth in 2020. With the impact of the pandemic, the forecast was readjusted significantly, with projections at new 30-year lows. Given the closure of international borders in March...

... key sectors were expected to post double digit contractions. Such an impact given the structure of the economy and dependence on tourism resulted in unprecedented...



...government forecasted a primary deficit of 14 per cent and indicated a new 30 year low and coming after a decade of fiscal surpluses. A more prolonged impact of the pandemic above initial assumptions implied...

...social spending and private sector support provided by government, thereby accelerating the debt load. However, substantial fiscal consolidation and proactive policies resulted in a much lower debt path over initial forecasts in 2021. As at 2023, debt challenges persist.

Source: Budget Books (2020, 2021, 2022, 2023)



## 4 · MACROECONOMIC & FISCAL CONSISTENCY OF THE NDS

Given the significant impact of COVID-19 on long run plans, an evaluation of NDS 19-23 was undertaken, mindful of the resource constraints, the mandate of the new government and lessons learnt from the pandemic. Whilst validating that Vision 2033 was aligned with the new government's vision given its overarching objectives, a more immediate assessment of NDS19-23 highlighted macroeconomic inconsistencies of certain assumptions, the lack of embedded financing mechanisms and following additional technical consultations, that the planning and execution process across government required substantial improvement. The latter factor highlighted the need for a change in mindset in the public service and an improvement in accountability across all levels.

Nevertheless, the rapid economic recovery and fiscal consolidation observed in 2021 not only forced a reassessment of the outlook moving forward but also an acknowledgement that improved analytics is required to attain long run objectives, given the uncertainties in the short and medium run.

### 4.3 Current economic conditions and macroeconomic projections

The current outlook is one that remains uncertain and there is a general acknowledgment that uncertainties and shocks will be a part of the new world normal. As such, policy flexibility will be critical.

Over the course of the NDS, baseline growth is forecasted at an average of 3.9%, with inflation contained below the mid-single digit target of 5% from CBS. Growth is forecasted to be anchored by buoyant performances in the tourism and ICT sectors and supported by sustained public sector investment, whereby capital expenditure is forecasted to be above 5.0% of GDP per annum for the duration of the NDS. Due to improved execution rate and mindful that the construction sector has a high growth multiplier, this supports conditions for a higher level of growth. As regards to other factors supporting growth, targeted investment facilitated by the SDG Investor Map, the Transformative Economic Agenda and the Industrial Policy will funnel investment towards priority areas.

However, despite such positive performances, the country is forecasted to maintain a current account deficit, albeit impacted by higher levels of FDI related imports forecasted in the in the second half of the NDS duration. The confirmation of sector plans and accelerated implementation of RBM will imply that further assessment shall be undertaken relative to the current baseline projections moving forward, followed by the required policy recommendations. Impact of the NDS must also be mindful of its effect on overheating the economy and as such, must be considerate of short run price risks.

It must be acknowledged that a key lesson learned from the previous iteration of the NDS was the risks the country faces as well as the necessary mitigating measures and adjustments needed in the short to medium run, considerate of long run outcomes. Thus, moving forward the necessary capacity will be built to ensure that deviations and potential policy adjustments implied are known beforehand. Such an approach is highly contingent on the impact of the enablers under the implementation of the NDS.

Diagram 4.1 Select Economic Indicators – NDS Baseline

	2023	2024	2025	2026	2027	2028
<b>Real GDP Growth (% chg)</b>	3.8	4.0	3.9	3.9	3.9	3.8
<b>Inflation (annualized- %chg)</b>	-0.8	0.3	2.0	3.0	3.5	3.5
<b>Gross Investment (% of GDP)</b>	24.8	25.8	26.7	26.7	26.5	26.4
<b>Of which:</b>						
<b>Public Investment 1</b>	4.25	5.34	6.1	6.06	5.87	5.75
<b>Private Investment</b>	20.5	20.5	20.6	20.6	20.6	20.6
<b>Current Account Balance (% of GDP)</b>	-5.4	-7.1	-7.4	-7.9	-8.6	-9.2
<b>Gross Official Reserves (eop, millions of US\$)</b>	733	791	843	904	953	997
<b>Months of Imports, c.i.f.</b>	3.67	3.75	3.84	3.93	3.96	4.09

#### 4.4 Fiscal position

By end 2019, public debt was forecasted to reach 50% GDP by 2021 and as a means to further embed fiscal prudence, a wage ceiling of 11% GDP was adopted as a key NDS 19-23 target. This was aligned with the need for fiscal sustainability in the medium to long run by mitigating the likelihood of recurrent wage expenditures and benefits affecting future budgets.

Moving forward and while the debt and wage ceiling targets are still maintained, the acceleration of debt load during the pandemic has necessitated a readjustment in fiscal operations, which now has to be more considerate of socio-economic challenges, including the demographic impact in a period of fiscal prudence. In effect, further fiscal consolidation is expected based on baseline projections, with revenue generation aligned with economic growth and expenditure aligned with debt targets. As such, government is expected to maintain its tight fiscal policy, albeit with emphasis on increased planning, productivity and efficiency gains within budget execution.

Table 4.2: Budget Projections in SCRm (unless otherwise stated) – NDS Baseline

	2022	2023	2024	2025	2026	2027	2028
<b>Total revenue and grants</b>	8,843.8	9,943.7	10,836.1	11,426.9	11,994.2	12,727.3	13,466.0
<b>Expenditure and net lending</b>	9,225.3	10,751.0	11,276.8	11,794.0	12,177.3	12,512.1	13,083.6
<b>Primary balance</b>	214.9	(2.8)	331.7	347.1	540.8	912.4	1,146.7
<b>Overall balance, commitment basis</b>	(381.5)	(807.3)	(440.8)	(367.0)	(183.0)	215.2	382.4
<b>Primary balance (% of GDP)</b>	0.8	0.0	1.1	1.1	1.6	2.5	2.9



## 4 · MACROECONOMIC & FISCAL CONSISTENCY OF THE NDS

### 4.5 Debt Management Strategy

Government has made significant progress in both domestic and external debt management. From a Selective Default rating on external debt in 2008 followed by a Paris Club Debt Haircut and significant capacity building and sound fiscal management thereafter, Seychelles is now ranked B+ on Long-Term Foreign-Currency Issuer Default Rating.

Government updates its rolling 3-year Debt Strategy on annual basis which is incorporated as part of the Annual Budget process. To help achieve the primary debt management objective, government will pursue the following goals over the medium term:

- i. Ensure that the fiscal and monetary authorities are aware of the impact of government's financing requirements and monetary policies on the levels and the growth of public debt
- ii. Work towards an optimum structure for public debt that balances costs and risks, including currency mismatch, adverse movements in interest rates, refinancing and operational risks.
- iii. Assist government in achieving its objectives of limiting public borrowing to an amount that is consistent with the country's medium term payment capacity, assessed from both a fiscal and balance-of-payments perspective.
- iv. Assist towards the development of the domestic financial market and lengthening of the debt maturity profile.

Whilst the pandemic not only accelerated debt levels, it also highlighted the off-balance sheet risks imposed by State Owned Entities, key of which being Air Seychelles in recent times. The aforementioned example illustrates that the country remains highly susceptible to shocks and second round effects. As such, having substantial fiscal space and flexibility at any given period is a key consideration despite improvements made in terms of risk management.

In recent times, government has relied heavily on short-term instruments, namely the 91, 182- and 365-day bills. Such an approach created substantial refinancing risks given the short rollover. In 2021, Government together with the Central Bank of Seychelles implemented a Liability Management Operation (LMO) through a debt restructuring operation. The aim of the operation was to convert some of the outstanding 182-Days and 365-Days T-Bills into either a 3-year, 5-year or 7-year T-Bonds.

This resulted in lengthening the average time to maturity of domestic debt whilst simultaneously improving conditions in the domestic market given that commercial banks now have longer maturity periods to benchmarks deposit rates. The pandemic also resulted in lowering interest rate costs of external debt, with Government seeking increased access to concessional lending to mitigate future exchange rate and interest rate risks on the budget.

In summary, sound Debt Management practices are undertaken and improved synergies between relevant stakeholders will result in improved domestic financing conditions whilst improved policy prioritization will imply better use given the funding avenues at Government's disposal.

For the duration of the NDS and mindful of the risks identified, the Debt Strategy will focus on mitigating risks identified and further developing the local securities market. This is mindful of the fact that such an approach will improve local financial intermediation and improve the investment and saving environment on offer by the private sector.

It is important to note that the strategy is considerate of the short run funding needs for key infrastructure projects, mindful of the fact that recent concessional borrowing opportunities may not be available in the future. Should the rising interest rate environment externally continue, government will reassess its position given the required rates of return on linked projects as well as increased exchange rate risks imposed.

Box 4.2: Debt composition and Interest Rates<sup>16</sup>
**External Debt Composition**

Description	Sep-2023 (SCR' M)	% Share
<b>Multilateral</b>	<b>5,932</b>	<b>72.5</b>
<b>Bilateral of which;</b>	<b>1,135</b>	<b>13.9</b>
<i>Paris Club</i>	548	6.7
<i>Non-Paris Club</i>	587	7.2
<b>Commercial Banks</b>	<b>307</b>	<b>3.8</b>
<b>Private</b>	<b>811</b>	<b>9.9</b>
<b>Total:</b>	<b>8,185</b>	<b>100</b>

**Domestic Debt Composition**

Description	Sep-2023 (SCR' M)	% Share
<b>Loans</b>	<b>908</b>	<b>9.7</b>
<b>Securities of which;</b>	<b>8,341</b>	<b>89.3</b>
<i>Treasury Bills</i>	2,050	21.9
<i>Treasury Bonds</i>	5,946	63.7
<i>Deposits</i>	45	0.5
<i>Notes</i>	300	3.2
<b>Other Debt Liabilities</b>	<b>92</b>	<b>1.0</b>
<b>Total:</b>	<b>9,341</b>	<b>100</b>

**Debt by residency of creditors**

Description	Sep-2023 (SCR' M)	% of GDP	% Share
<b>Domestic</b>	<b>9,341</b>	<b>32.1</b>	<b>53.3</b>
o.w. Government	8,718	30.0	49.7
o.w. Guarantees	624	2.1	3.6
<b>External</b>	<b>8,185</b>	<b>28.1</b>	<b>46.7</b>
o.W. Government	8,063	27.7	46.0
o.W. Guarantees	122	0.4	0.7
<b>Total:</b>	<b>17,526</b>	<b>60.2</b>	<b>100</b>

**Weighted Average interest rates (22-23)**

Description	2022	2023	% Share
<b>External Debt</b>	<b>24</b>	<b>4.7</b>	<b>95.8</b>
<b>Domestic Debt</b>	<b>5.9</b>	<b>5.3</b>	<b>-10.2</b>
<b>Total Debt</b>	<b>4.2</b>	<b>5.0</b>	<b>19.0</b>



# 5

## Financing



# 5 Financing

## 5.1 Introduction

Recent geopolitical events have highlighted known weaknesses within the country and how we remain susceptible to external shocks. This can be in terms of energy and commodity price shocks directly, which frequently have spill-over effects and varying rounds of impact on the economy. Historically, what usually follows an external shock is an exchange rate shock and/or potentially an interest rate shock. Therefore, there is an urgent need to improve resilience against said shocks and that cannot materialize without an optimal financing strategy relative to the shock. Such an approach is mindful of the fact that the country faces an accelerated urgency to close the climate-financing gap and address other structural challenges.

In conjunction with sound planning, the magnitude, composition and mobilization of financing will set the tone for what can be attained and ultimately determine the overall implementation and impact of the NDS. This chapter introduces the resource mobilization needs of the NDS 2024-2028 given current baseline projections. It sets out an outlook beyond the Medium Term Fiscal Framework (MTFF), the Public Sector Investment Programme (PSIP), the broad resource envelope and the resource mobilisation strategy in addressing the known funding gaps. Given that the duration of the MTFF is 3 years, projections will be made beyond the MTFF in assessing potential challenges for attaining the NDS targets.

From a quantitative perspective, fiscal rules on public debt dynamics and wage growth provide standard textbook mechanisms to mitigate medium to long run pressures on fiscal sustainability. However, these first generation of rules coupled with insufficient long run synergies between financing and planning have implied new challenges for optimal resource allocation decisions.

At the highest and most strategic level, government is taking steps to improve its MTFF through improved medium-term strategic planning, improved efficiency measures and aligning budget allocation with portfolio strategies and national priorities. Moreover, aligned with the Digital Economy Agenda, development of the Enablers and the need to improve efficiency across government, the eventual implementation of the Integrated Financial Management Information Systems (IFMIS) and the aids management system are expected to improve efficiency of the budget process. The implementation of these systems will automate key budgeting processes and reorient processes towards increased analytics over compilation.

Additionally, MFNPT continues to work in close collaboration with public bodies to improve PSIP planning over the medium term to ensure consistency with the budget framework. Aligned with this objective and with the ascension of the Seychelles Infrastructure Agency Act (2021), a new government agency was established to improve execution of capital projects and as a core function, to advise on strategic planning of infrastructure and physical development projects. Such an approach is expected to not only improve capital project execution rates, but also prioritize projects based on their strategic necessity and financial resources available.

International financing remains an ongoing challenge. Since concessional financing has been less accessible as a result of Seychelles' graduation to a high-income status in 2014, the financing framework will highlight the pressing need for diversity in financing sources. The financing mix will therefore include mobilising domestic resources through improved debt issuance policies, tax enforcement, engagement and activation of the private sector through public-private partnerships (PPP), and attracting new and innovative foreign financing into prioritized areas.

## 5.2 Recent Developments

Should the conditions of the previous iteration of the NDS be assessed relative to current economic realities, it is important to note that fiscal space for investment pre and post pandemic are markedly different. Initial projections in 2019 indicate that debt to GDP ratio was forecasted to be below 50% of GDP by 2022. However, following the pandemic, the aforementioned level is not expected within two years, and likely further given current geopolitical uncertainties. In effect and should the SDGs be viewed as a step to Vision 2033, the country has less time, a smaller resource



pool, higher foreign interest rates and a geopolitical landscape that has changed markedly since 2019. Moreover, significant expenditures linked to climate change adaptation and mitigation were, as at 2019, not embedded within future budgets. As such and given the above, substantial targets under NDS19-23 remain incomplete.

Given the pandemic and the economic downturn that followed as a result, government engaged in significant domestic and international borrowing, in order to meet its financial obligations as well as to ensure a semblance of stability of the country. Most importantly, budget support programs from the following institutions, alleviated pressures during the pandemic and embed funding to future government deliverables;

- i. African Development Bank (AfDB) - the Governance and Economic Reforms Support Program (GERSP)**
- ii. World Bank - Development Policy Option & Program for Results**
- iii. International Monetary Fund (IMF) – Extended Fund Facility**

The programs are at varying phases of completion additionally, serves as an indicator of external credibility based on budget performance against prescribed targets.

### **5.3 Medium term fiscal framework (MTFF)**

The MTFF was introduced as part of the 2008 reform programme as a tool to improve public financial management. It resulted in the country adopting a medium term outlook to budgeting (three years), improving the efficiency of government spending, increasing equity of the tax system and enhancing the governance of public enterprises. Work remains ongoing in improving the framework with gains from RBM implementation expected to improve the MTFF further. In more recent times, longer run trend projections were used beyond the MTFF horizon as a means to embed the foundations of longer run planning given the nature of the longstanding structural challenges.

Whilst work remains ongoing, the approach will assist government in long run planning relative to evolving forecasts.

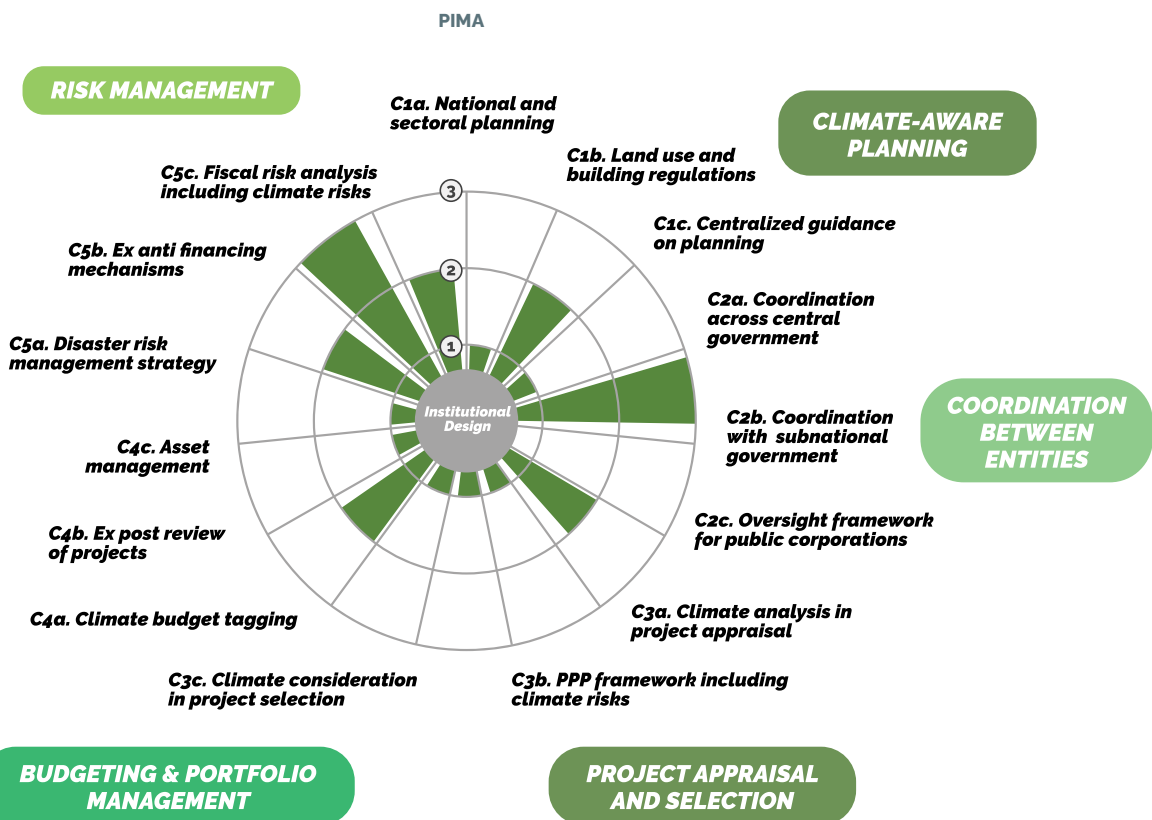
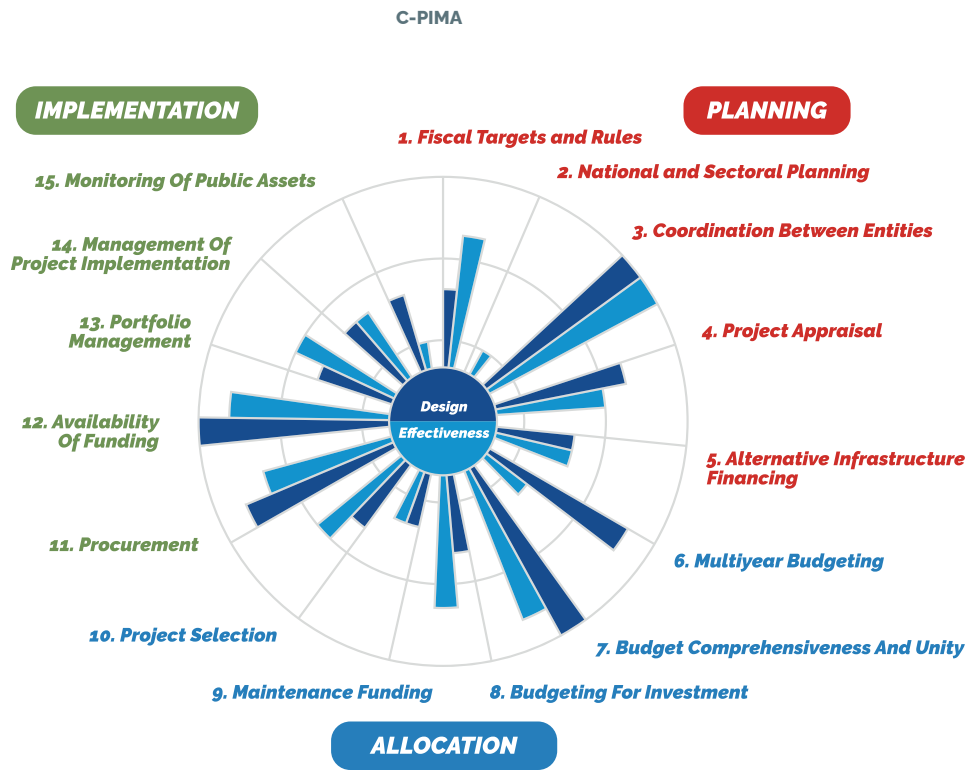
### **5.4 Public Sector Investment Programme (PSIP)**

The PSIP was a component of the 2008 reform programme and is the central government's investment on capital projects for a rolling period of three years. Within the current MTFF of 23-25, PSIP expenditures are forecasted at SCR5.1 billion, albeit subject to revisions based on macroeconomic conditions and optimal resource allocation decisions. In addition to the PSIP allocation, government provides funding through net lending and development grants to some public enterprises for their development projects. Funding is subject to prioritization of projects and for the current MTFF, this amounts to SCR119.0 million, a significant reduction in comparison to previous years.

From a policy standpoint, the country undertook its first Public Investment Management Assessment (PIMA) and Climate PIMA (C-PIMA) assessments in 2023. The assessments highlighted known challenges for the under-execution of capital projects, including weakness in the national and sectoral planning processes, challenges and gaps in the appraisal and selection processes for projects entering the budget, and limited capacity for preparing and analyzing this information across the government.

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Diagram 5.1: Institutional Design and Effectiveness;



Following reviews of the report, the Cabinet of Ministers approved an action plan with the aim to improve the under execution of capital investment and to also identify and address the gaps in the public investment management institutions. In effect, capital expenditure levels are above pre-pandemic levels and illustrates the urgent need for infrastructure investment and maintenance. Past low execution rates and the need for improved prioritization are to be addressed with the new structures in place at the relevant agency as well as with continual improvements in the planning process.

From a planning perspective, it was noted that the process remains weak, with plans not being costed nor monitored. As such, projects linked to the priority areas under this iteration of the NDS will be sequenced and prioritized once embedded within portfolio strategic plans. A complete set of portfolio plans for all ministries is expected to be finalised by end 2024, and ensure alignment with the NDS moving forward for all stakeholders. Moreover, with improved implementation of the RBM framework, improved synergies will assist in improving project execution rates and the decision-making process of infrastructure needs.

Diagram 5.2: Public Sector Investment 2023-2025, SCR millions

	2023	2024	2025
<b>Central Government Projects</b>	<b>1,409.3</b>	<b>1,740.6</b>	<b>1,955.9</b>
<b>Net Lending</b>	<b>140.7</b>	<b>42.0</b>	<b>-34.2</b>
<b>Development Grants</b>	<b>148.7</b>	<b>186.6</b>	<b>182.0</b>

However, major investments needed to attain targets prescribed under the NDC are as of yet not funded given current financing gaps with the C-PIMA highlighting that climate change considerations are not adequately mainstreamed into the public investment planning process. In the interim, the necessary groundwork is being undertaken to ensure improved efficiency and execution such that funds committed by external parties can be confirmed and thereafter prioritized.

In terms of financing sources, capital projects receive support through the external development partners through grants or loans. The main external donors and creditors are the European Union (EU), World Bank, Southern African Development Community (SADC), Arab Bank for Economic Development in Africa (BADEA), OPEC Fund for International Development (OFID), Global Environment Facility (GEF), and the governments of India, China and the United Arab Emirates amongst others.

### 5.5 Resource Envelope

The resource envelope is determined by the revenue generated from tax and non-tax collections as well as the borrowing plan relative to debt dynamics. As regards to the role of external funding, improved alignment of aid policy relative to priority areas will enhance the impact of external support. In addition, revenue generated via FDI will be aligned to the Transformative Economic Agenda as well as streamlined based on the Seychelles SDG Investor Map and the country's Industrial Policy. While there is a firm acknowledgment that FDI was a key contributor to growth since 2008, the indirect effects were not explicitly captured and as such, the externalities and marginal cost impact on government expenditures remained unquantifiable. As such, the policies aim not only to raise revenue beyond the baseline, but also mitigate the added expenditure effects on government.

In view of the MTFE extending below the timespan of the NDS, projections used are aligned with assessments taken in conjunction with the IMF as at end-2023, and incorporates assumptions from the MTFE 24-26. Thus, the 5-year resource envelope for the NDS takes into account the revenue forecasts undertaken with key multilateral organisations and aligned with the Budget Strategy and Outlook (BSO) 2024 and the Debt Management Strategy 2024-2027. However, given the geopolitical and post-pandemic uncertainties, impact of the TEA on growth outlook, the effects of improved government efficiency and options of funding sources amongst others, future resource allocation decisions are more likely to impact the second half of NDS implementation following the mid-term review scheduled for 2026.

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**Table 5.3: Revenue Projections (2024-2028)**  
 in % of GDP (unless otherwise stated)

	2023	2024	2025	2026	2027	2028
<b>Total revenue</b>	<b>34.2</b>	<b>35.7</b>	<b>35.7</b>	<b>35.2</b>	<b>34.9</b>	<b>34.5</b>
Tax	29.0	30.3	30.9	31.0	31.0	30.8
Personal income tax	4.2	4.2	4.2	4.3	4.3	4.3
Trade tax	1.2	1.2	1.1	1.1	1.1	1.1
Excise tax	5.1	5.1	5.1	5.0	5.0	5.0
Goods and services tax (GST) / VAT	10.7	11.1	11.3	11.2	11.3	11.2
Business tax	5.6	5.8	6.4	6.5	6.4	6.4
Marketing Tourism Tax (MTT)	0.3	0.3	0.3	0.3	0.3	0.3
Property tax	0.1	0.2	0.2	0.2	0.2	0.2
Other	1.9	2.3	2.3	2.3	2.3	2.3
Nontax	3.9	4.2	3.6	3.5	3.3	3.1
Fees and charges	1.5	1.4	1.4	1.4	1.3	1.2
Dividends from parastatals	2.0	1.9	1.9	1.8	1.7	1.6
Other	0.5	0.9	0.4	0.3	0.3	0.3
External grants	1.3	1.2	1.2	0.8	0.7	0.6
Financing	2.8	1.5	1.1	0.5	-0.6	-1.0
Foreign financing	3.1	1.6	2.5	0.6	-1.1	-1.6
Domestic financing, net	-0.4	-0.2	-1.4	-0.1	0.5	0.6
<b>Memorandum items:</b>						
FDI, percent of GDP	11.3	11.6	14.6	14.6	14.7	14.6
Nominal GDP (SCR Millions)	29,095	30,318	32,012	34,057	36,432	39,037

The above medium to long run baseline revenue projections does not factor the impact the expected economic gains from the Transformative Economic Agenda, financing mechanisms linked to the Nationally Determined Contribution and other infrastructure needs amongst others to tax generation. Moreover, with increased emphasis on innovative finance -key of which being PPP- the objective is to reduce the need for additional revenue generation from tax revisions. Government will also continue to strengthen relationships with cooperating partners, both on a bilateral and multilateral level, to undertake measures aimed at ensuring the success of the NDS.

### 5.6 Expenditure

In light of significant future -and as of yet- unbudgeted investment for climate change adaptation and mitigation, mindful of debt targets and the need to address structural challenges, government expenditure in the short run must be more considerate of medium to long run challenges. This is supported by the fact that short run budget execution under the NDS aims at boosting efficiency and productivity within government such that the necessary space is made for future expenditures.

The continued implementation of RBM and the one government concept will provide improved standardization of operations, digitization, capacity building and knowledge sharing. However, it is important to note that the country lives in a new economic reality, whereby the country cannot absorb all future external shocks and where institutions within government are required to have the ability to adjust their objectives and resource pool relative to changing global economic realities. As such, following a peak of 32.7% of GDP in 2023, expenditures are forecasted to decline over the duration of the NDS, albeit subject to fundamentals impacting revenue generation and economic growth outlooks. On the one hand, whilst a reduction in the wage bill is expected in view of the initial overshoot of the wage ceiling target, on the other hand, significant capital investment

is expected. The former is linked with government pursuing measures in improving government efficiency and productivity, whilst the latter is linked to significant infrastructure investment needs of the country.

It is important to note that whilst RBM implementation is aimed at impacting productivity, other measures are also being pursued as a means to maximize government service delivery. In 2022 and as part of ongoing efforts to further improve the efficiency of government spending, a comprehensive review of the structural, legal, and operational framework of the country's procurement system was undertaken. The exercise was meant as a means of reducing a known area of weakness within government, with the outcome being a more streamlined process. As regards to capital investment, a Public Investment Management Assessment (PIMA) was undertaken to help identify opportunities to increase the efficiency of public investment, including the scope for the procurement system to support PPPs and in future, reduce expenditure needs of government. The outcome of the exercise highlighted that an under-execution of projects and less than optimal planning hindered the capital project implementation. Mindful of the fact that significant infrastructure investment is needed in the country even when omitting climate change related projects, improved infrastructure planning, prioritizing and execution will significantly reduce wastage and potentially increase future funding space.

In recent times, government has undertaken Public Expenditure Reviews (PER) with support of the World Bank as a means of deriving a measurement of public spending efficiency. The two sectors, namely Education and Health account for the biggest shares of the national budget. Further undertakings in this area will assist in identifying common areas of weakness and in future, further impact expenditure decisions.

Diagram 5.4: Revenue Projections (2024-2028) in % of GDP (unless otherwise stated)

	2023	2024	2025	2026	2027	2028
Expenditure and net lending	37.0	37.2	36.8	35.8	34.3	33.5
Current expenditure	32.7	31.6	30.4	29.4	28.6	27.9
Primary current expenditure	29.9	29.1	28.2	27.3	26.6	25.9
Wages and salaries	11.2	11.7	11.4	11.1	10.7	10.3
Goods and services	13.4	12.2	11.6	11.1	10.9	10.5
Transfers	5.3	5.2	5.1	5.1	5.1	5.1
Social program of central government	1.0	0.9	0.9	0.9	1.0	1.0
Transfers to public sector from central government	0.2	0.2	0.2	0.2	0.1	0.1
Benefits and programs of Social Security Fund	4.1	4.1	4.0	4.0	4.0	4.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Interest due	2.8	2.5	2.2	2.1	1.9	2.0
Foreign interest	0.8	1.1	1.1	1.1	0.9	0.8
Domestic interest	1.9	1.5	1.2	1.1	1.0	1.1
Capital expenditure	4.1	5.3	5.9	5.9	5.9	5.8
Contingency	0.2	0.2	0.2	0.1	0.1	0.1
						0.0
<b>Primary balance</b>	<b>0.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.6</b>	<b>2.5</b>	<b>2.9</b>
<b>Overall balance, commitment basis</b>	<b>-2.8</b>	<b>-1.5</b>	<b>-1.1</b>	<b>-0.5</b>	<b>0.6</b>	<b>1.0</b>

### 5.7 Resource Mobilisation & The Financing Mix

The appropriate resource mobilisation strategy will ensure that the necessary funds and assets are available to operationalize the strategic interventions elaborated in the NDS. The strategy consists of two parts, namely: (i) domestic resource mobilisation and (ii) foreign resource mobilisation.

Efforts over the NDS period will be directed towards enhancing domestic resource mobilisation, including measures in enhancing PPPs whilst externally, concerted efforts will be made in leveraging external assistance for climate change related investment, designated areas under the SDGs and exploring innovative financing mechanisms to address the medium run funding gap. Moreover, the expenditure approach will also be mindful of mitigating effects of short run risks on expenditure and thus debt sustainability, key of which being inflation and interest rate volatility.

#### 5.7.1 Domestic Resource Mobilisation:

##### 5.7.1.1 Taxation

Efficient and equitable tax regimes and its administration are crucial in securing domestic financing for development. On the one hand, increased revenue generation through higher tax rates would increase short run expenditures and thus, accelerated implementation of the NDS. On the other hand, doing so would potentially adversely impact expenditure decisions of businesses and the public and thus, jeopardize future private sector led growth. In effect, taxation policies must be accommodative to priority growth and socio-economic areas of concerns and fund other government expenditures whilst being mindful of its impact on private sector decisions. To this end, it is imperative that any reforms or adjustments tax systems serve to complement foreign sources of financing, such as foreign direct investment, portfolio flows, and multilateral and bilateral support.

The Seychelles Revenue Commission (SRC) spearheads tax administration with targets of increased revenue generation, enhanced compliance monitoring and border security enforcement, increased digitalization and improving Seychelles' performance towards its international commitments. Recent and upcoming developments are highlighted below.

- i. Enhancement of the ASYCUDA<sup>17</sup> system at Customs, and accelerating the digitalization process of tax collection.
- ii. With the assistance of the European Union, the SRC is implementing a new taxation management system aligned with aforementioned targets and with the additional aim of broadening the tax base.
- iii. With the assistance of the World Bank, general transfer pricing regulations are to provide clarification of the new rules and requirements to take in order to comply with the new legislation.
- iv. Following initial assessment of the value added tax, legislative revisions are expected to reflect the new economic realities. This will be done in a phased approach over the period 2023-2025.

The abovementioned developments are aligned with government's commitment to improve the ease of doing business by placing emphasis on reducing bureaucracy, streamlining processes and increasing automation of processes where possible. Such an approach will improve

More recently, legislations were revised whereby;

- i. a unified the tax rate for different productive sectors of the economy was set at 25%
- ii. the accelerated depreciation provisions for tourism, agriculture and fishery were reduced and aligned with best practices
- iii. the taxation of security dealers to be aligned with best practices

Given the global uncertainty, impacts of above policies and implementation of the NDS, taxation policies will be subject to future revisions, albeit consistent with long run objectives. Moreover and given the country's environmental commitments, future taxation policies are to be more considerate of environment impacts and associated disposal costs.

### 5.7.1.2 Public Finance Management

Government will maintain its commitment in improving mechanisms for managing expenditure by reviewing and assessing all policies and programmes. Moreover, the technological innovations are expected to further facilitate the drive towards increased efficiency as government continues to implement the Digital Economy Agenda.

Planned reforms for the improvement of Public Financial Management include;

- i. Review of the Public Procurement Act and the Public Finance Management Act.
- ii. Adoption of a Public-Private Partnership framework, which will include climate-related investment
- iii. Public Expenditure and Financial Accountability (PEFA) assessment
- iv. Development, Installation and use of the Integrated Financial Management Information System
- v. Strengthening maintenance budgeting and provisions for government properties.

### 5.7.1.3 Private Sector

The government remains committed to the private sector being the engine of growth in the economy. Moreover, and given the significant funding gap faced by government, increased public-private partnerships (PPP) are expected over the course of the NDS. To this end, government will develop a PPP framework that along with other areas of concern, reflects climate-related risks and integrate it in the Public Financial Management Act and the Public Procurement Act, with the aim to use the PPP approach to leverage private climate finance.

Government will also seek opportunities for PPPs across all sectors where a clear economic rationale can be demonstrated. A number of key sectors will be prioritised based on strategic need and the ease of setting up PPPs in the sector specific areas. Other potential PPPs to be explored are aligned with the urgency of implementation and the funding gaps being faced.

These include areas related but not limited to;

- i. Energy Generation and infrastructure
- ii. Land Bank Development and Public Housing
- iii. Public Infrastructure
- iv. Transport Infrastructure

### 5.7.1.4 Domestic Borrowing and Dividends

Domestic funding is forecasted to decline over the course of the NDS as government seeks to access increased external funding. However, consistent with the Debt Management Strategy, the objectives within the domestic market are to lengthen the maturity of the stock of domestic debt and reduce rollover risks associated with high levels of Treasury Bill Issuance. The government will take further steps in reducing risks of interest rate volatility by continuing publication of an advanced issuance calendar and with improved cash flow forecasting further mitigating the risks of adhoc financing needs.

As regards to dividends, risks of State-Owned Entities (SOEs) are significantly lower owing to the improved monitoring of the Public Enterprise Monitoring Commission. Moreover, SOEs are expected to finance most of their investment from accumulated capital as opposed from the central government funding. Over the period of the NDS, SOEs are forecasted to raise R3.0 billion in terms of dividends.

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**5.7.2 Foreign Resource Mobilisation:**

In view of the shallowness of domestic financial markets and risks associated with sourcing foreign exchange exclusively from the domestic market, external funding will be a critical factor in determining the success of the NDS. Moreover, while Seychelles' graduation to high-income status in 2014 highlighted the progress of the country since undergoing macroeconomic reforms from 2008, it has reduced opportunities for traditional Overseas Development Assistance (ODA). The country's economic performance has seen Seychelles improve its credit ratings from selective default in 2008 to 'BB-' in 2023. This performance was supported by relatively high-income levels, strong World Bank Governance Indicators, support from multilateral creditors and stable policymaking. Nonetheless, given the risks imposed by a lack of economic diversification, the country remains highly vulnerable and the current ratings imply an added interest rate premium on any new debt issuance. The economies of scale also indicate that the country remains challenged in accessing global capital markets and should this be exclusively approached at this juncture, the cost of capital may be substantial.

As such and in the short to medium run, the country will remain engaged with traditional development partners - Bilateral, Multilateral and otherwise. Government will continue to receive conditional support with key multilateral institutions, with disbursements linked to performance of key benchmarks. As such, funding sources will be maintained as government continues down the reform path, with the potential for additional funding over the course of the NDS. It is important to note that the country's diplomatic approach in seeking bilateral assistance will be maintained, albeit with increased emphasis on the prioritization areas of government.

Other than financial assistance, support in terms of grants or support in developing human capital will remain vital and is expected to be aligned with the priority areas and the SDG Investor Map. The country aims to benefit further in terms of capital inflows by opening news sectors in the economy, aligned with the Transformative Economic Agenda, the SDG investor Map and the country's Industrial Policy. As such, areas open for Foreign Direct Investment will not only provide much needed capital inflows, but also facilitate economic diversification, knowledge exchange, value addition and sustainability-centric improvements in select sectors.

With the willingness to seek additional forms of support, government has taken the necessary in formalizing engagement with the Seychelles diaspora. The structure will permit government in not only establishing potential sources of funding but also a mechanism in closing the domestic skills gap. While the strategy remains work in progress, developments shall be subject to outcomes and serve as an added tool in either mobilizing finance or capacity.

**5.8 Projection of funding gaps and assumptions.**

As per current projections under the NDC, climate adaptation and mitigation costs are estimated at US\$670 million. As per current projections, it can be assumed that mainstreaming of the necessary measures will be implemented in the second half of the NDS duration in its near entirety. Should a linear approach be undertaken in funding needs, it would require significant additional funding and potentially impacting debt targets (refer to table 5.4). Whilst some related NDC costs have been embedded in current budgets, key of which being the execution of select projects under the Coastal Management Plan, additional assessment is needed in ensuring NDC financing.

Diagram 5.5: Linear NDC cost estimates 27-28 <sup>18</sup>

	2027	2028	2029	2030
<b>NDC Funding in terms of:</b>				
<b>US\$m</b>	167.5	167.5	167.5	167.5
<b>SCRm</b>	2,489.3	2,539.1	2,589.9	2,641.6
<b>%GDP</b>	6.8	6.5	6.2	5.9





In view of this challenge, improved climate financing mechanisms will assist in mainstreaming costs, with additional assessments to be undertaken in prioritizing key projects under the NDC, albeit subject to external developments.

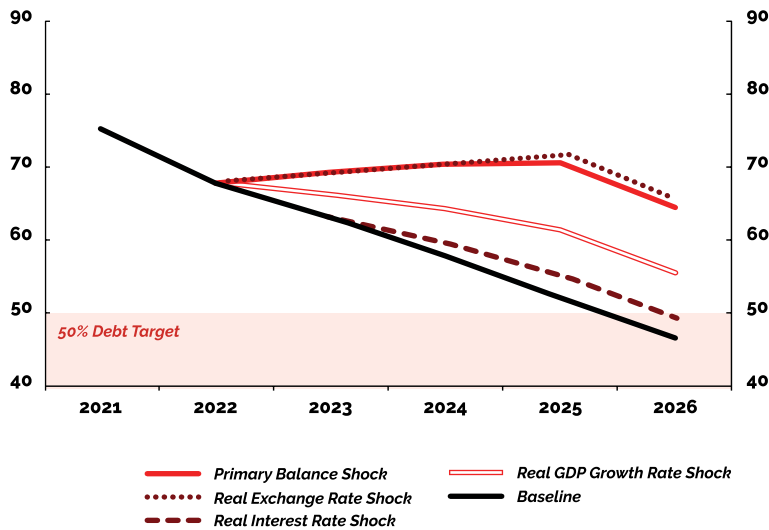
**5.9 Fiscal risks**

The success of the NDS will rest on both appropriate level and optimized use of funding. However, given the timespan of the NDS, fiscal risks require monitoring due to the impact on projections and future budget decisions. Whilst risks and mitigation measures are addressed in chapter six, fiscal risks need to be monitored such that prioritization exercises can be undertaken within the budget cycle and mindful of the need to prioritize resource allocation relative to the magnitude of the risk event. Three broad categories of fiscal risks have been identified for the duration of the NDS: macroeconomic risks; budget spending risks and state-owned enterprise (SOE) risks.

Given Seychelles' inherent external vulnerabilities, macroeconomic risks present the greatest challenge over the medium term in terms of budget sustainability. Should unanticipated changes in economic conditions occur, it will directly impact government expense and revenue forecasts, and without a prioritization exercise, will likely lead to debt accumulation. In effect, government's debt level can be seen as the key outcome measure, with the wage ceiling providing a safeguard to mitigate the size of government expansion and potential inflationary effects of wages. Nevertheless, it must be noted that all stakeholders within government must build the required contingency measures within future portfolio plans in the medium run such that necessary adjustments are known beforehand and serve as a guide to the required policy reaction.

This approach is critical given the fact that macroeconomic risks oftentimes have ripple effects and by not mitigating the original risk, leaves government susceptible to other and potentially bigger risks.

Diagram 5.6: Gross Nominal Public Debt: Stress Tests (% of GDP)



Source: Macroeconomic Forecasting and Analysis Division Estimates-DDT, MoFNPT (Fiscal Risk Statement 2023)

From the Financial Risk Statement, stress tests of potential risks indicate public debt vulnerability to deviations from the primary balance and real exchange rate forecasts. In effect, the former suggests the need for fiscal discipline in the short run, whilst the latter illustrates the sensitivity of real interest rate and given recent experience, exchange rate shocks on debt level mindful of the debt composition of the country.

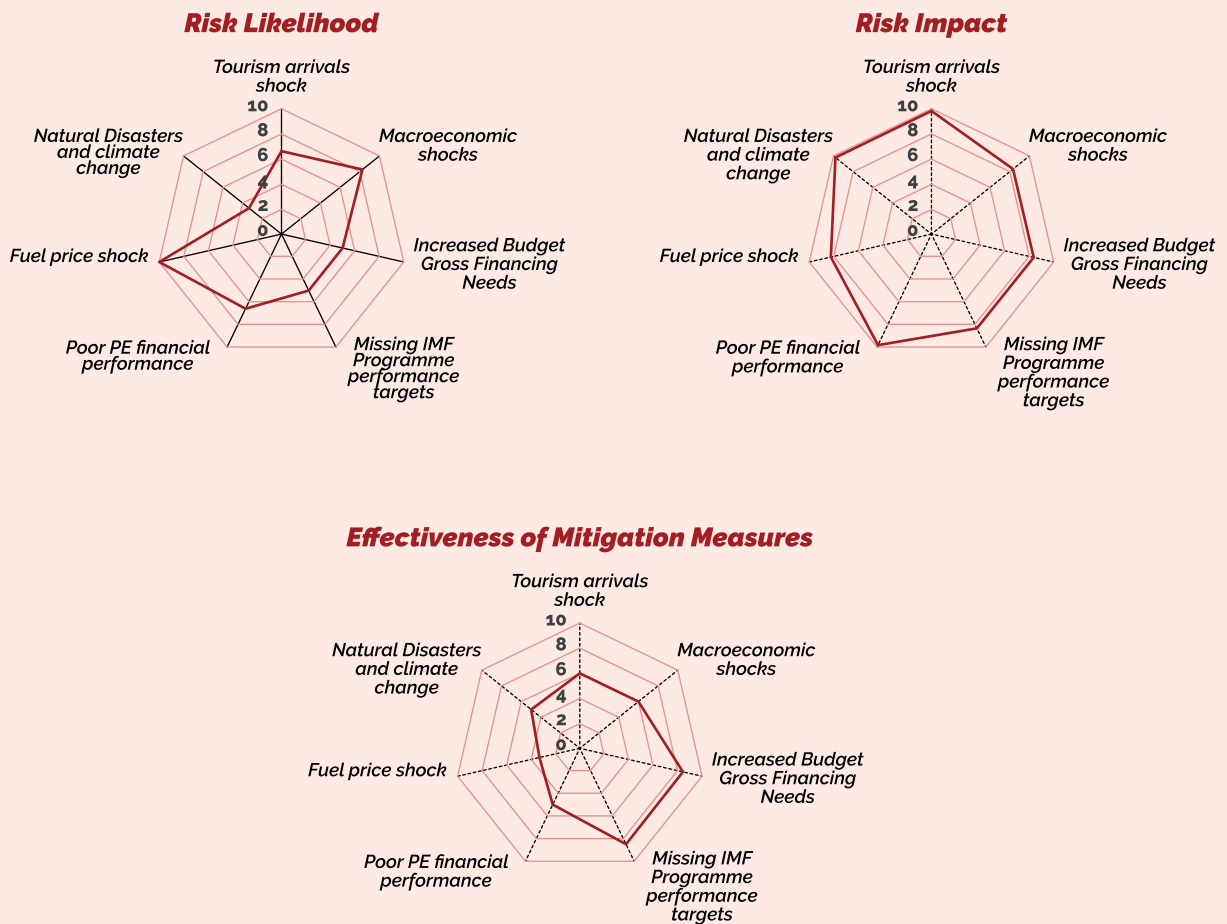
In terms of budget execution risks, the biggest risk identified is the improper execution of capital projects. Historically, the execution rate of capital projects has been a challenge, illustrated by the fact that over the period 2016 to 2021, the execution rate for capital

expenditure averages out to about 35 per cent. Such a low level implies that funds allocated are not used and as such, is an opportunity cost for expenditures that were unallocated. Moreover, under-execution impacts medium to long run planning given that infrastructure needs may be linked to key planning decisions and as such, impact the implementation of the NDS. Given the longstanding challenge in budget execution of capital projections, recommendations made by the PIMA and C-PIMA will be embedded and added within the necessary institutional frameworks. As regards to other fiscal risks, the performance of SOEs can significantly impact fiscal decisions. On the revenue side, underperformance may lead to lowered dividend payouts and as such

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impact financial resource allocation decisions. On the expenditure side, inefficient operations of SOEs, external shocks and policy decisions amongst others may increase off-balance sheet risks of central government and in effect impact future fiscal decisions. Improved monitoring of SOEs will continue via the relevant government agencies and reporting requirements, with government represented at Board level. Nonetheless, given the variation of functions of SOEs, risks and impact vary and as such, risk mitigation measures will be different. However, the risk assessment matrix charts provide a guidance as to the nature of the risks SOEs are exposed to and policy interventions within SOEs are mindful of risks highlighted and its impact.

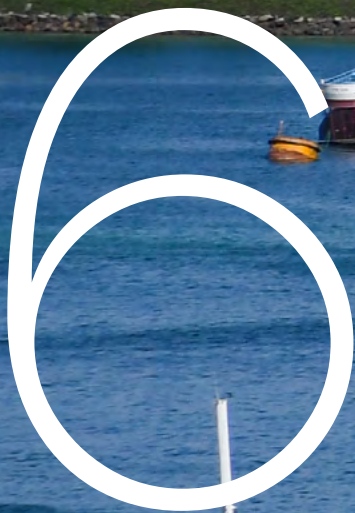
Diagram 5.7: Risk Assessment Matrix Charts (Budget 2024)



Source: Macroeconomic Forecasting and Analysis Division Estimates-DDT, MoFNPT (Fiscal Risk Statement 2023)

### **5.10 Conclusion**

Given governments commitments set out under the NDS, a current funding gap exists, specifically relating to climate change adaptation and mitigation measures. Whilst international funding mechanism previously committed are yet to materialize, government must therefore undertake necessary steps to fund prevailing commitments by generating the necessary revenue generation and efficiency gains to close the funding gap. As per current long run baseline projections, the necessary financing gap is considerable but not embedded in long run plans. As such, over the course of the NDS, the objective is to incorporate the necessary expenditure within future budget cycles, supported by pre-existing fiscal rules, improvements made under the RBM framework and via multilateral assistance. Moreover, the country remains committed in addressing weaknesses identified in the PIMA and C-PIMA exercise, whilst mainstreaming NDC commitments as part of future budget cycles.



# Risks



# 6 Risks

## 6.1 Introduction

Risks in this context can be defined as identified and major factors that can impede the full implementation of the NDS as well as impede the Garden of Eden Scenario. This can include -but not limited to- shock events, shifts in external trends and aggravated impacts of previously mentioned domestic structural challenges. Moreover, risks can have an impact on multiple elements that lie within or outside the direct control of government and can impact the country on a short run basis or in the long run.

As an example, a sudden surge in oil prices is likely to increase the cost of energy locally and potentially have additional effects via the exchange rate channel on consumers. Thereafter, worsening conditions may result in further adverse external factors such as the impact on prices of imported goods and the cost of air travel and shipping. All these risks can have ancillary effects on the economy, yet very little can be done to mitigate global events. In the long run, while climate change risks are well known, the magnifying effects of a declining fisheries sector as is, a population in poor health, an ageing demographic profile and one that has a less than desired level of civics and education amongst others, remain unknown. In effect, the nature, impact, duration and magnitude of the risks necessitate different response functions from government, private sector and the public, whilst being mindful that structural challenges will only magnify its effects without appropriate mitigations measures in place.

The pandemic has provided the country several lessons, including how underlying structural challenges and the economic setup can magnify a shock event. As an example, pandemic risk was seen as a high-risk event in the previous NDS. However, whilst the Health sector provided a highly commendable response aligned with international protocols, additional effort is needed to not only mitigate the effects of closed borders locally but also acknowledge that it must be undertaken within a manageable resource envelope and to better manage the public expectations on the adjustments needed thereafter. Whilst no risk can be eliminated and oftentimes overlap and magnify other risks, it is critical that the country develops the necessary measures and procedures as to the corresponding response needed. Such an approach must always be mindful of long run objectives.

Thus, a comprehensive understanding of risks and how they affect the implementation of the NDS, is vital. Therefore, this chapter's risk management process will start with the identification of the risks Seychelles faces given current realities and understanding their negative impacts on achieving the goals and strategies of the NDS. These risks will then be ranked based on their likelihood of occurrence and their potential impact within the country and interpreted within a matrix. Once assessed, the necessary steps to mitigate these risks will be discussed with actions to be taken in the event these risks were to manifest.

## 6.2 What are the risks for Seychelles?

Although Seychelles has made some significant achievements in environmental, social and economic areas, some existing vulnerabilities remain with the addition of new and emerging ones. On the funding gap, the country's high-income status remains somewhat of a barrier for concessional lending and as such, the country is susceptible to market forces when borrowing overseas.

More recently, a change in government administration, a global pandemic, the Russia-Ukraine war and more recently geopolitical disturbances in the Middle East have all influenced this basket of risks and altered how they are perceived. Thus, while the country greatly benefits from the more open economic model of recent times, it also implies that Seychelles faces not only internal risks specific to the country's size, nature, location and its other unique characteristics, but also external ones that present a challenge for the global community at large.

Below are the identified risks for the country:

### 1. Climate Change

The effects of climate change are becoming increasingly visible domestically and globally. These include higher temperatures, altered rainfall patterns and intensity of weather events. Unfortunately, higher temperatures, flooding, drought, storms, coastal erosion and general natural degradation events are more likely to happen in Seychelles. For a local context, while coral bleaching is no new plight, the incremental effects of climate change will further impact future fish stock given the coral reef's importance in the food chain and its loss will imply greater wave intensity and coastal erosion. Once again, our situational status exacerbates these effects. Being a small island state implies limited resources to efficiently deal with the full effect of climate change, key of which being the necessary finance needed, with current fiscal expenditure evidencing the fact that coastal land is being lost to erosion and degradation at an unprecedented rate. These effects are far reaching and could have significant magnifying effects locally and externally at unknown rates, and is the greatest risk in attaining the Garden of Eden scenario. In the long run, the country will lose islands should global commitment levels remain unchanged, even with the country's best efforts.

### 2. Finance

The funding need for the successful implementation of the NDS is challenged in view of the limited concessional financing sources, constrained baseline growth path of the economy and the need for fiscal consolidation under the Medium-Term Fiscal Framework. Prior to the pandemic, government had made significant gains in deriving the necessary fiscal space for long run challenges. However, such gains were lost with the pandemic effect and response. As such, fiscal sustainability of all current policies need greater scrutiny and mindful of long run effects.

On top of growing geopolitical and climate change risks, Seychelles holds a "high-income country" status that implies Seychelles has limited access to concessional financing, an opportunity previously privy to, and access to climate finance remains a development area yet to optimize. Therefore, alternative sources need to be explored, in particular, domestic resource mobilization in an effort to stay the long-term path to sustainable development financing. Effects of domestic resource mobilization initiatives need to be wholly explored to ensure risks are mitigated. It remains, however, that the uncertainty following past and ongoing crises, may inhibit public and private investments and so affect limited buffers at all levels. Managing public debt remains imperative, as the cost of borrowing at higher interest rates is a risk in itself. Moreover, the country requires not only a higher growth path to increase funding but also find means in optimizing government expenditures.

A different facet sees the risk of illicit activities accompanying the growth of the financial industry with money laundering becoming increasingly evident. This not only gives rise to corruption and other detrimental socio-economic effects including the trafficking of drugs, humans and other illegal goods but may very well put a dent in government revenues through tax evasions. The Anti-Money Laundering (AML) legislation was a response to this growth, the lifting of international capital controls and the growing ease of conducting complex chains of financial transactions.

### 3. Pandemics

A pandemic can be defined as a disease that has spread across countries or continents and varies in terms of the severity of its effects. Seychelles was not spared from the severe effects of the Covid-19 pandemic given our macro and socioeconomic conditions. The challenge resides not only in the direct pandemic effects on the Health sector but also the aftereffects on lower global disposable income that may impact consumer decisions. Domestically, government is now experiencing a more constrained fiscal space, with the private sector suffering from an increase in debt burdens and fixed overheads, which has in effect contributed to stagnated income growth. Such conditions have hindered the post-pandemic recovery and changes needed. Moreover and although it may be interpreted as the worst being over and thereby creating a sense of domestic relief, the reality is that the country did not have the appropriate sustainable supporting

mechanisms in place beyond the Health provisions. Therefore, deriving the optimal response is required relative to resource envelope available and relative to the severity of the pandemic. Although no two pandemics are the same, lessons must be embedded and assist in mitigating the impacts of future events. Whilst other diseases such as the Ebola virus or an even more severe strain of influenza may warrant border closures, the corresponding response function must be taken into account, albeit with greater considerations for the country's long run objectives.

#### 4. Substance Abuse and Social Ills

This relates to the impact drugs, substance abuse and social illnesses have on society in that it not only poses a burden on the health system but also causes disruptions within the family unit and surrounding community. These include but are not limited to higher crime rates, allocation of Police resources, unemployment and decline in social cohesion amongst others. In the long run and should trends not be reversed, additional pressures are assumed on the social welfare system, the growth of the informal sector, imported labor demand and alarmingly, on the Health sector given the data on health implications of substance abuse users and the causes of mortality domestically. In effect, things are expected to get worse in the short run given the risk being seen as structural challenge.

#### 5. Non-Communicable Diseases

The National Health Strategic Plan highlighted that premature mortality from non-communicable diseases remains unacceptably high. The report highlighted that:

*“the incidence of cancer is expected to almost double within the next decade, with over 450 cases and 200 deaths per year by 2030. In comparison, the prevalence of hypertension, diabetes and obesity is estimated to increase by 34%, 49% and 52%, respectively, by 2030, over 2013 estimates”.*

Such a dire outlook is expected to impact all facets of the socio-economy, including allocation of health resources, productivity of workers and general social cohesion amongst others. Therefore, within a Health context there is the strain on the health system in terms of consultations, treatments and pharmaceuticals and from an economic context, the cost the economy faces as these patients transition from able-bodied, contributing members of the society to dependent members of the society. On a specific and high area of concern, obesity is a significant and generational issue that will only worsen the abovementioned conditions. It must be stated that the burden of this challenge cannot be that of Health alone and must be tackled by all stakeholders.

#### 6. Cyber Crime

Cybercrime events have become increasingly common over recent years where computers, network devices or networks are used as instruments to further illegal ends, such as committing fraud, trafficking in child pornography and intellectual property, identity theft and violating privacy amongst others. While most cybercrimes are carried out for the purpose of generating illicit financial benefits, some are carried out against computers or devices in order to directly damage or disable them. Some of the top cybercrimes businesses and individuals face in 2022 are phishing scams, website spoofing, ransomware, malware and “Internet of Things” (IoT) hacking. Stemming from this is the Cybersecurity risk; namely the probability of exposure, loss of critical assets and sensitive information, or reputational harm resulting from a cyber-attack or data breach. It involves the potential loss or harm related to technical infrastructure, use of technology or reputation of an organization. Often enough, trusted means of communication are used as a means of breaching data and so the damage of reputation may be to more than just the intended target.

From a local context, Seychelles may be a small island state but has seen a rise in cyber-attacks over the past decade with the improvements in digital infrastructure. With the Digital Economy Agenda, as the economy moves towards a cashless society and as technology increasingly becomes a substitute for labor, this risk increases not just for such cyber-crimes but also money laundering activities.



## 7. Demography

Demography involves the analysis of population determinants and characteristics such as birth rates and death rates, age profiles and gender. Further analytics can be incorporated and can include income dynamics and the incidence of diseases that further illustrate the changing structure of the population in a country. Seychelles profile is that of a relatively young but ageing population. Policymakers are thus confronted with several interrelated issues, including a decline in the working-age population, evolving health burden, increased pressures on the family unit, gender inequality, increased expenditure on health and long-term care, unsustainable social security, pension commitments and changing consumption patterns as people age.

Further issues of lower fertility and an increase in the age dependency ratio - that is, the ratio of working age to old age individuals - all result in an ageing population and altering economic growth paths. These issues could significantly undermine the high living standards achieved and enjoyed in many advanced economies and raises matters relating to immigration, old age care, sustainability of the Pension system and public services amongst others.

## 8. Common Resource Constraints

Common resource constraints faced by most implementing bodies for this National Development Strategy are recurring and include the financing gap, human resources and land availability to name a few. Energy consumption is also another shared constraint where the main source of energy is non-renewable and provided by the Public Utilities Corporation.

With regards to human resources and labour migration policies, there is a mismatch of the education and skills developed relative to demand in the labour market. More often than desired, the domestic skills gap is addressed from overseas sources and although this contributes to the economy's growth and development, wealth generated does not necessarily remain in the country as well as the skills not necessarily being imparted to locals. Such conditions may impact dynamics in the informal sector and limit wage growth in key sectors and therefore impact poverty and welfare sustainability in the long run.

On the pertinent issue of land allocation, limited land relative to high demand has been a longstanding challenge. The country is facing a coastal squeeze as development crowds the low-lying coastal areas given current environmental policies and zoning requirements. Economic sectors often share common areas and oftentimes in conflict, as evidenced between the tourism and agricultural sectors. Consequently, increasing activities along the coastline leads to a loss of existing coastal ecosystem and further exposes the country to climate change risks. Thus, significant planning is required in preserving prime coastal lands whilst maximizing their economic and social functions. In that same light, alternative opportunities for development need to be explored whether it be the hilly areas of Seychelles or investing in additional land reclamation.

With diversification being prioritized under the Transformative Economic Agenda, the varying activities have largely different requirements. As an example, the fisheries processing zone is required to be along the coast, close to the sea port and away from residential areas. Moreover, its location must be away from Tourism related areas. A similar dilemma would be the need for flat land for agriculture should the current model remain unchanged.

## 9. Market Dependency

This risk is related to the dependency Seychelles has on imports, tourism revenue and global supply chains amongst others. Therefore, disruptions that any of these countries or regions experience will impact the local economy to varying degrees. As a means of mitigating the impact of market dependency shocks, Seychelles needs to encourage economic diversification. Economic diversification can be defined as the shift toward a more varied structure of domestic production and trade with a view to increasing productivity, creating jobs and providing the base for sustained poverty-reducing growth. It must be highlighted that this has remained a longstanding challenge. However, the economic viability of diversification remains uncertain, yet the risks to market dependencies are obvious. While the concept of market dependency has been highlighted in the past for the tourism sector, it can be argued that given the food and nutrition needs of the country, the solution to market dependency varies between sectors. As an example, while diversification may be critical for tourism, our dependency on select countries for our nutrition needs may imply that simply diversifying external sources may not address the fundamental challenges of food and nutrition security.

Therefore, in line with the above, aspects of sustainability and economic viability need to be considered, where current risks linked to market dependency can be met without compromising the ability and resources of future generations.

#### **10. Terrorism**

Terrorism can be defined as the unlawful use of force or violence against persons or property to intimidate or coerce a Government, the civilian population, or any segment thereof, in furtherance of political or social objectives. Complementary to this, financial terrorism is also taken into account where terrorist financing involves the solicitation, collection or provision of funds with the intention that they may be used to support terrorist acts or organizations. Funds may stem from both legal and illicit sources.

Seychelles needs to remain extremely vigilant in this regard given the sensitivity of the economy to outside perceptions. Being a small island state dependent on tourism, exposes the country on many fronts. Detection and interception is crucial as the losses stemming from terrorism would impact the entire economy.

#### **11. Complacency**

Complacency can be defined as a feeling or general sentiment of being satisfied with how things are and not wanting to strive for further improvements. The culture of complacency involves the reluctance to embrace change and adapt to an ever-changing world. With this risk, comes the human element where the value of human capital needs to be recognized, albeit mindful of the need for behavioural shifts. The right mindset together with a strong will and drive is just as vital as training, skills and expertise in fueling economic growth.

#### **12. Social Instability**

Under the broad umbrella of social instability comes key socioeconomic aspects that may trigger such conditions. This includes matters such as economic disparity, high youth unemployment, brain drain, rising food prices, lack of access to capital, poor social safety net mechanisms, misinformation, expropriation and human rights abuses. The ability to mitigate social instability is largely under the purview of government, hence implying the need for trust and credibility of the public service. Thus, the misuse of public power for private benefit through means of, for example, coercion or bribery reduces efficiency within the governing body and the strategies they are trying to put forward. Hence, advocating a zero-tolerance policy for corruption of all sorts must be the norm within the public service.

All these aspects encourage inequality and discrimination, and create conditions that support uncertainty and social instability. Thus, the population having such a high level of uncertainty is detrimental to economic growth, hindering implementation of the NDS.

#### **13. Geopolitical Risk**

Geopolitical risks can be defined as the risks emanating from interactions between countries. These interactions include matters relating to supply chains and transportation networks, natural resource use and access, enforcing alliances, trade synergies and immigration policies amongst others. Even if issues that may arise may not necessarily lie within Seychelles itself or even a direct trading partner, geopolitical risks is an ever present challenge, more so when considering the neutral stance undertaken by Seychelles "friends to all" policy.

This most recent contextual geopolitical risk -and its spillovers- that has been brought to utmost attention in recent times stems from Russian-Ukraine conflict. The actual invasion did not directly affect Seychelles. However, the effects of the war such as financial market sanctions on Russia, an oil price shock and rise in grain prices have trickled down to small island states. In effect, geopolitical risks are ever evolving and its impact is unknown across time.

#### 14. Technological Capacity

This risk refers to the ability and willingness to find, develop, adopt, produce, upgrade and use technology to maintain and achieve a level of competitiveness or competitive advantage. This includes technical resources and all its technical functions to enhance and modernize productivity and performance. Seychelles has room for improvement with regards to digitalizing processes within government itself as well as the private sector. These technological advancements and their benefits need to be recognized and welcomed within society so that its true potential can be reached to propel economic growth in the country. Certain inefficiencies can be solved with simple digitalization of processes and the elimination of such inefficiencies will contribute towards achieving the NDS.

This technological transition must be holistic where advancements and benefits are understood and enjoyed by all. The risk of a digital divide is real where certain groups may be left behind as the country and world becomes more technologically inclined.

In line with the same, as the country welcomes more technological advancements, it is also imperative to safeguard technological infrastructure against any potential digital disruptions that may cripple key infrastructures of the economy. This extends across intangible cyber-attacks as well as physical damage to infrastructures such as servers, the submarine communications cable among others.

#### 15. Biosecurity Risk

This risk relates to the negative impact pests, diseases, weeds or contaminants could have on the economy, environment or community. It includes the risk of alien invasive species; animals and plants that are introduced accidentally or deliberately into a natural environment where they are not normally found, with serious negative consequences for their new environment. They can be damaging to native species and ecosystems and contribute to total loss of certain species or habitats. One example of the effects of these alien invasive species that directly affect the community would be an invasive species targeting crops. Given that agriculture is a priority area, any growth in the sector remains linked to biosecurity risks.

#### 16. Trans-national Maritime Threats

Maritime security is a general term for the protection of vessels both internally and externally. The areas from which ships and maritime operations need protecting include terrorism, piracy, robbery, illegal trafficking of goods and people, illegal fishing and pollution. Given that Seychelles has an Exclusive Economic Zone (EEZ) of 393,400 square miles, this makes this risk rather pertinent. Piracy in the region, as has been the case in the recent past, poses a significant threat to the economic performance of the Seychelles. Although on the decline in recent years, it remains a viable threat and its impacts are far reaching. Different avenues of maritime activities are affected, including the fishing, cargo, ferry activities as well as the emerging yachting industry that see the Seychelles as a prime destination. Thus, tourism is also impacted.

Illegal fishing is also a large threat as such activity impacts the viability of having sustainable ecosystems as well as siphoning what would otherwise be revenue for Seychelles. All these aforementioned challenges would have major ramifications for the development of the Blue Economy in Seychelles and likely impact established industries, albeit to varying extent.

#### 17. Impacts of the Extractive Industry

The extractive industry can be a potential source of revenue for the country that may also contribute towards the large funding gap faced in environment sustainability and climate change resilience. Moreover, the potential long run benefits of a sovereign wealth fund implies that future generations may stand to benefit from any successful extraction. However, the risks involved with such an industry cannot be overlooked. First and foremost, the impact on the natural resources and lasting effects on the environment creates a new risk, particularly the damaging effects of a disaster whether during the exploration or extraction phase. In line with the same, Seychelles may have to forego certain Green finance opportunities as this Industry develops given terms under conditional funding. The risks on external perceptions will increase as given tourism's importance to the country, efforts need to be communicated clearly and strategically in order to mitigate reputational risks on the sector.

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**6.3 Risk Assessment**

Following the identification of the risks, the assessment requires an evaluation according to their likelihood of occurrence and their potential impact within the country. It is important to note that when assessing the likelihood of occurrence, the timeframe is assessed within the cycle of the NDS.

The mapping out of the risks is shown in Illustration 5.1, which were established based on surveys undertaken during the NDS drafting process.

Diagram 6.1: Risk Matrix

<b>Potential Impact</b>	<b>Extreme</b>			5. 10.	2. 3.	1. 4.	<ol style="list-style-type: none"> <li>1. Climate Change</li> <li>2. Finance</li> <li>3. Pandemics</li> <li>4. Substance Abuse &amp; Social Ills</li> <li>5. Non-communicable diseases</li> <li>6. Cyber Crime</li> <li>7. Demography - Ageing Population</li> <li>8. Common Resource Constraints</li> <li>9. Market Dependency</li> <li>10. Terrorism</li> <li>11. Complacency</li> <li>12. Social Instability</li> <li>13. Geopolitical Risk</li> <li>14. Technological Capacity</li> <li>15. Biosecurity Risk</li> <li>16. Trans-national Maritime Threats</li> <li>17. Impacts of the Extractive Industry</li> </ol>
	<b>High</b>			8. 16. 17.	13.	7.	
	<b>Medium</b>			6. 11. 12. 14.	9. 15.		
	<b>Low</b>						
	<b>Negligible</b>						
		<b>Remote</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Probable</b>	
		<b>Likelihood of Occurrence</b>					

Colour	Ratings	Description
Green	<b>Low Risk Area</b>	Minor risks and low consequences that may be managed by routine procedures
Yellow	<b>Medium Risk Area</b>	Medium risks that are likely to arise or have serious consequences requiring attention
Orange	<b>Medium-High Risk Area</b>	Major risks that are likely to arise and have potentially serious consequences requiring urgent attention or investigation
Red	<b>High Risk Area</b>	Extreme risks that are likely to arise and have potentially serious consequences requiring urgent attention

**6.4 Risk Management strategy and Mitigations**

The results imply that six areas surveyed are classified as being high-risk and should the risk matrix reflect socioeconomic realities and risks to attaining Vision 2033, should therefore require urgent attention. Of interest, are the results when analyzed against the previous NDS whereby previously known structural challenges, namely Drugs and social ill and Climate Change, have aggravated to extreme in terms of impact and is implicitly linked to a worsening of funding condition brought about by the pandemic effects.

Also, of high concern, are the newly identified high risks, namely demographic effects and geopolitical risks. The former is linked to sustainability of current policies in the long run, including matters relating to a healthy nation, sustainability of pension system and welfare structure amongst others. The latter is influenced not only by global trends and behaviour observed during and after the pandemic but also developments following the ongoing Russian-Ukraine war. The identified risks and outcome of the survey illustrate the complexities of implementing risk mitigation measures. Implementing specific risk mitigation remains an ongoing challenge and requires substantial coordination across time, with key agencies required to not only monitor risks but also have proactive mitigation measures before the risk event. In the interim and subject to improved understanding of interlinked risks, the first generation of the risk management measures are presented in the annex.

However, the country has adopted the use of the SENDAI framework on Disaster Risk Reduction (2015-2030) that sets out the overall objective to mitigate disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries. The Framework puts in place 4 clear priorities for action and 7 global targets for the substantial reduction of disaster risk. Future implementation of the framework will enhance the country's ability in addressing not only disaster events but also in mitigating the impacts of the structural challenges the country faces.

### 6.5 Monitoring

Given the incomplete mechanism in not only forecasting but also costing evolving risks, formulating appropriate reactions remains an ongoing challenge. Thus, perpetual improvements in early warning models remain critical as well as developing continuous monitoring mechanisms, including;

- **Review, update and improvements within Contingency Planning Framework<sup>19</sup>**
- **Identification and tracking of risk indicators**
- **Monitoring risk changes**
- **Evaluating the performance of risk mitigation strategies**
- **Regular reporting on risks and actions taken**
- **Redefining risk mitigation strategies**



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# Annexes

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# **Annex 1: Logical Framework for the Implementation of the Priority Areas**



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
<b>Priority Area 1: A Modern Public Service</b>												
1.1 A performance-based, corruption-free and accountable public service.	1.1.1 Ensure successful implementation of the results-based management	Percentage of surveyed public satisfied with government services (overall mean score %)	N/A	N/A	Baseline established						PSB, MoFNPT	
	1.1.2 Implement corruption prevention policies to reduce the prevalence of corruption and economic crime.	Mo Ibrahim Index	73.4	*							ACCS	
		Transparency International Corruption Perception Index (CPI)	70								ACCS	
	1.1.3 Ensure sustainable financial management of public finances	Percentage of wage bill to GDP (%)						11.0			MoFNPT	
		Percentage of capital expenditure completed (%)	N/A	70.0	80.0	85.0	90.0				SIA	
		Debt to GDP ratio (% and less than)	64.6	64.60	65.6	64.3	61.2	56.1	51.3		MoFNPT	
1.2 An established and operational public sector college to address human resource gaps and instill a culture of lifelong learning within public sector.	1.2.1 Establish a dynamic public sector college to enhance public service delivery	Percentage of public servants undertaking training per year	N/A							TGMI		
1.3 Increased access and efficiency of government services through	1.3.1 Embed digitisation to improve efficiency of the public service	Percentage of the main public services with electronic delivery channels	35.0	45.0	55.0	65.0	75.0			DICT	DICT	
		Percentage of public service users making use of electronic delivery channel options	20.0	30.0	40.0	50.0	60.0					





ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
<b>Priority Area 2: The Transformative Economic Agenda</b>												
2.1 Tourism: Increased yield from the sector	2.1.1 Product and pricing strategy focused on increasing yield	Tourism Revenue (USD million)	931.7	870.0	918.7	950.0	974.1	998.2		CBS	Tourism Department	
		Tourism Arrival	332,068	348,000	366,000	377,000	385,000	393,000		NBS		
	2.1.2 Grow visibility and awareness of Seychelles across all markets thereby increasing demand for the destination	Average Length of Stay (days)	9.9	9.6	9.7	9.8	9.9	10		NBS		
2.2 Tourism: A more sustainable, resilient and integrated Tourism model achieved through product enhancement, capacity building, diversification, and market differentiation.	2.2.1 Implement enhanced green, responsible and sustainable tourism practices through the adherence to standards, including the SSTL	Number of products certified with SSTL	26	30	35	45	50	55		Tourism Department		
	2.2.2 Increase qualified and trained local talent in the industry	Ratio of foreign to local talents	1:3	8:25	31:100	3:10	3:10	3:10		Employment Department		
	2.2.3 Monitor and enhance standards of businesses available to visitors and within the tourism industry.	Visitor satisfaction (Ratings Satisfaction)	87.9	88.9	90.0	91.0	92.0	92.5		Tourism Department		
		Licensed businesses operating at the required standards (% share)	85.0	85.0	85.0	85.0	86.0	86.0		Tourism Department		
		Businesses participating in Grading programmes (% share)	New Indicator	3.0	6.0	7.0	8.0	10.0		Tourism Department		





ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
2.5 Fisheries and Blue Economy: Increased sustainable value-addition and product diversification.	2.5.1 Implement sector governance and management of fisheries resources by undertaking maritime resource assessments	Number of stock assessment undertaken	2	2	1	1	2				Dept of Fisheries	
	2.5.2 Promote sustainable Trade and build capacity in the sector	Percentage Increase in domestic production (% growth) - Baseline 2022 = 65310.46 Metric Tons.	65310.65 MT	2.0	3.0	5.0	5.0					
		Percentage Increase in Volume of Exports (% growth) - Baseline 2022 = 64477 Metric Tons.	64,477 MT	3.0	5.0	5.0	5.0					
		Skilled personnels in the sector (% growth) - Baseline 2022 = 3533 employees	3533	3	5	5	5					
		Employment growth rate in Fisheries Sector (% growth) - Baseline 2022 = 4970	4970	1	3	5	5					
	2.5.3 Develop the Fish Processing Zone and other fisheries related infrastructures	Volume of processed fish products (MT)	2	4	4	4	4					



## ANNEX 1

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Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target					Data Source	Lead Agencies	Implementing Partners	
				2023	2024	2025	2026	2027				2028
2.6 Fisheries and Blue Economy: A thriving and sustainable Blue Economy sector supporting increased job creation and improved economic efficiency and revenue generation.	2.6.1 Develop aquaculture	Number of new aquaculture license issued	5	5	5	5	5					
		Number of species/categories farmed	3	4	4	5	5					
	2.6.2 Explore and develop Extractive Industry (Non-living resources oil, gas and other minerals) in our EEZ	Number of license issued. (licence issued for 3 years)	5	3	5	5			JC/TC minutes	Department of Blue Economy and Petro Seychelles		
	2.6.3 Exploration of the Extended Continental Shelf-ECS	Number of species found	3	4	4	5			Department of Blue Economy Database	Department of Blue Economy		
		Number of licences for exploration of sedentary species.	N/A	2	6	6			Circular Economy Situation analysis report 2023	Department of Blue Economy		
	2.6.4 Maximize Revenue from Research in the ocean space and sale of data captured	Number of research undertaken in the Seychelles' ocean space.	3	3	4	5						
	2.6.5 Develop the Circular Economy, using by-products & waste from fish transformation and other sectors in the economy	Number of businesses in the circular economy	45	47	60	75						
		Number of new processors engaged in by-product and waste transformation	2	2	3	3	1					
		Increase in quantity sold to processors (% change)	0	5.0	7.0	10.0	10.0					
		Increase in quantity sold to processors (% change)	0	5.0	7.0	10.0	10.0					



**ANNEX 1**

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners	
				2023	2024	2025	2026	2027	2028				
<b>Priority Area 3: A Healthy Nation</b>													
3.1 Increased life and healthy life expectancy with decreased key risk factors for health (NHSP SD2/SD3/SD4)	3.1.1 Promote healthy living for all age-groups and address risk factors for priority diseases (SD2/SD4)	Life expectancy men (years)	69.8	71	72.4	73	74	74		MOH; HCA; PHA	MOH	All public sectors and private partners and NGOS through HiAP Platform.	
		Life expectancy women (years)	77.8	80	80	81	82	82y					
		Healthy life expectancy men (years)	61.9 (2019, WHO Estimate)	62	62	62.5	62.5	63					
		Healthy life expectancy women (years)	66.4 (2019, WHO Estimate)	67.0	68.0	68.5	69.0	70.0					
	3.1.2 Revitalise Health-in-All Policies (SD4)	Prevalence of Obesity in school-aged children 9-17 years Years (% of total)	14.0	14.0	14.0	14.0	14.0	14.0	14.0		MOH; HCA; PHA		
		Prevalence of Obesity in adults age 25-64 years (less than % of total)	31.0 (2013, both sexes) (1)	35.0	35.0	35.0	35.0	35.0	35.0				
		Prevalence of raised blood pressure -greater than reading of 140/90 - in adults aged 25-64 years (less than % of total)	30.0 (2013, both sexes) (1)	26.0	24.0	23.0	24.0	23.0					
		Prevalence of raised blood glucose -greater than 6.2 mmol/L - in adults aged 25-64 years (% of total)	13.0 (2013, both sexes) (1)	13.0	13.0	13.0	13.0	13.0	13.0				



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
	3.1.3 Promote good mental health and prevent and manage substance abuse disorders. (SD4 and SD2)	Treatment Coverage for opioid abuse (SDG3.5.1) - Numerator: Active clients from DSAPTR annual report 2022; Denominator: IBBS 2017 survey, estimated 5.4% of population use opioids (greater than % of total)	43.0	40.0	50.0	50.0	55.0	60.0		MOH (DSAPTR)		
		Suicide mortality rate - SDG 3.4.2 (less than per 100,0000 people)	8.1	7.0	6.0	5.0	5.0	5.0		HCA		
	3.1.4 Implement One-Health Approach (SD3)	Sectors implementing all core components of the National One Health (greater than % of total)	Pre-requisite: One-Health Plan Developed and endorsed								PHA	MOH
		IHR Core capacities index (part of SDG 3.8.1) % greater than	eSPAR scores	52.0	60.0	65.0	70.0	75.0		PHA		DRMD
3.2 Improved Quality Health Services Nationwide (NHSP SD2/SD3)	3.2.2 Improve health services through implementation and monitoring of PHC Package (SD2)	Universal Health Coverage Index - 16 tracer indicators, SDG 3.8.1	75 (WHO Estimate)	75.0	78.0	78.0	80.0	80.0		HCA		All public sectors and private partners and NGOS through HiAP Platform.
	3.2.3 Improve secondary and tertiary care through implementation of a quality improvement initiative (SD2)	Premature NCD mortality SDG 3.4. (less than % of total)	21.1	21.0	20.0	20.0	20.0	20.0		HCA, PHA		



**ANNEX 1**

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
3.3 A well-performing health system (NHSP SD5/SD6)	3.3.1 Implement eHIS (NHSP SD5/SD6)	Implementation phases of eHIS (% of facilities utilising eHIS for all services)	N/A	60.0	80.0	100.0	100.0	100.0		HCA	MOH	
	3.3.2 Develop and implement a Human Resources for Health Strategy (NHSP SD5)	HR production, density, distribution, retention by cadre	N/A	Workforce needs estimated	HR for health strategy developed	>50% of core HR targets achieved	>70% of core HR targets	>80% of core HR targets		MOH, HCA, PHA, NIHSS		
	3.3.3 Ensure sustainable financing for health (NHSP SD5)	Total Government Health Expenditure (TGHE) as % of Total Government Expenditure (TGE) (greater than % of total)	13.6% (based on National budget and spending data and NHA reports) (2)	14.0	14.0	15.0	15.0	15.0		MOH; HCA; PHA		



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target					Data Source	Lead Agencies	Implementing Partners	
				2023	2024	2025	2026	2027				2028
<b>Priority Area 4: Promotion of Law and Order</b>												
4.1 A reduction in crime following improved community trust and confidence in policing	4.1.1 Introduce competency framework for a more professional workforce	Implement Police Strategic Plan (% of indicator targets met out of the 7 priorities)									Police Department	
	4.1.2 Introduce an IT based Command and Control system that provides capabilities for centralised Incident/Crime Recording and management, resource dispatch, subsequent case management with service wide access for analytics and reporting	Level of implementation of integrated CAS system with end user feedback (% of total users)									Police Department	
	4.1.3 Introduce systems that make it easier to report complaints against police when not satisfied with the service	Response rate of complaints (% of total)									Police Department	
	4.1.4 Increase the number of priority volume crimes where a suspect is progressed into the criminal justice system	Priority cases disposed (% of total)									Police Department, Judiciary	





ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target					Data Source	Lead Agencies	Implementing Partners		
				2023	2024	2025	2026	2027				2028	
	4.1.5 Build confidence in the Police's ability to effectively deal with crime through partnerships with key stakeholders	Number of cases of children who are victims of sexual abuse									Police Department		
		Number of criminal incidents in the Community including Domestic Abuse incidents									Police Department		
4.2 Criminal Justice reforms for a more efficient and modern legal framework	4.2.1 Improve efficiency through digitalization and automation	Average time of a court case (in months)									Police Department, Judiciary, Attorney General's Office		
		Backlog court cases as a percentage of total court cases											
	4.2.2 Introduce a sentencing framework with stricter measures to deter serious crime and alternative sentencing for a relief on infrastructure resources	Prison population	334									Prison Services, Judiciary	
		% of offenders complying to community-based sentence										Prison Services	
	4.2.3 Develop and implement tailored rehabilitation and re-integration programs responsive to the type of addiction	% of inmates re-offending and re-admitting to prison following their participation in rehabilitation programme available at prison										Prison Services	





ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
4.4 Strengthened Border security at all points of entry into the country	4.4.1 Implement digital systems to support border control agencies in early detection	Number of Migrants in country without a valid permit									Immigration Department	
		Detection and arrest of perpetrators									Immigration Department, Police Department	
	4.4.2 Greater deployment of RCOC & NISCC operations for the reinforcement of intelligence & information analysis and sharing	Number of IUU fishing Incidents									Internal Affairs Portfolio, Fisheries Department	
		Rate of arrest of foreign vessels operating illegally in the EEZ									Police Department, SMSA	
		Ease of entry of hazardous goods and substances in the territory									Immigration Department, Customs - SRC, Agriculture, Police Department	
	4.4.3 Management of Bio-security threats and impacts on the economy	Detection of harmful species and biochemical substances									Immigration Department, Agriculture Department	



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
<b>Priority Area 5: A Modern Education System Aligned With Future Needs</b>												
5.1 A reformed education system aligned with the realities of Seychelles today and for the future	5.1.1 Improve readiness and developmental outcomes of children in early childhood stage	Children ready for creche/preschool education (% of total)	87.0	87.0	87.0	88.0	89.0				IECD	
	5.1.2 Strengthen the Technical and Vocational education and training .	Youth unemployment rate (%)	14	16.0	14.0	12.0	11.0				Ministry of Employment	
		Learners enrolled and graduating in their respective programmes (% of total)	77.0	80.0	80.0	85.0	85.0			Destination survey, and employment data	Ministry of Education	Ministry of Employment
	5.1.3 Improve the quality of Teacher Training.	Qualified local teachers (new) (% of total)								EMIS database SITE database	MoE	UniSey
		Learners in P2 achieving the competency level in literacy (% of total)	65.0	70.0	75.0	80.0	85.0					
		Learners in P2 achieving the competency level in numeracy (% of total)	36.0	50.0	55.0	60.0	65.0					
		Learners in P6 scoring grade C and above in English (% of total)	36.0	40.0	45.0	50.0	55.0					
		Learners in P6 scoring grade C and above in Maths (% of total)	25.0	30.0	35.0	40.0	45.0					
		Learners in S5 enrolled in IGCSE scoring grade C and above in English 2nd language (% of total)	46.0	51.0	56.0	61.0	66.0					



ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
		Learners in S5 enrolled in IGCSE scoring grade C and above in Maths (% of total)										
		TVET learners (S5) who have completed a programme of training and in employment within 3 months of completing the programme (% of total)	28.0	35.0	30.0	25.0	20.0					
	5.1.4 Anchor digital skills in the education system.	Youth and adults with information and communications technology (ICT) skills, by type of skill (new) (% of total)								•Devices & equipment •Competency standards •Records of achievement	MoE	MoFNPT
5.2 Inclusive educational institutions to cater to all students.	5.2.1 Convert educational institutions into Inclusion schools	Number of schools equipped with SEN resources as per established standards	5.0	36.0	36.0	36.0	36.0			Revised Inclusive Education Policy  Catalogue of SEND resources	MoE	MoH Social Affairs
		Teachers trained in schools (% of total)	0.0	6.0	21.0	36.0	51.0					
		Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated										



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
5.3 A culture of life-long learning established to ensure employability and productivity.	5.3.1 Provide increased opportunities for continuing professional development	Enrolment on re-skilling courses	Re-skilling courses on offer by educational institutions	Promotion of short courses by tertiary education institutions	Consultations with key stakeholders	Development of framework for Life-Long Learning	Courses on offer are credit bearing and aligned to NQF			Framework for Life-Long Learning	MoE	MDAs, especially, MESA, SQA
		Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex								Accredited courses		

**Priority Area 6: Environmental Sustainability and Climate Change Resilience.**

6.1 Effective Implementation of measures to achieve climate mitigation goals	6.1.1 Reduce economy-wide Greenhouse Gas (GHG) emissions	Primary Energy Intensity Index (TOE/MSR)	21.9	21.3	20.9	20.4	20			PUC/SEC/MACCE	SEC	MACCE/SEC/PUC
		Net GHG emissions (Gg CO <sub>2</sub> e)	596.8	537.1	507.3	489.4	465.5	453.6				
	6.1.2 Facilitate transition towards renewable energy and improved energy efficiency	Electric Vehicles imported per year (% of total share)	3.35	4.66	6.67	8.33	9.40					
		Share of renewable energy in the Electricity mix (% of total energy mix)	5.1	8.0	9.0	10.0	11.0			PUC/SEC/MACCE	SEC	MACCE/SEC/PUC
6.2 Strengthened resilience to the impacts of climate change	6.2.1 Ensure conservation and restoration of coastal wetlands	Number of programmes to restore degraded habitats and ecosystems	5	5	7	8					MACCE	
	6.2.2 Develop a pipeline of adaptation projects	Number of adaptation projects concepts developed	1	1	3	4	4				MACCE	
	6.2.3 Integrate climate change considerations into sustainable development related plans, policies and strategies	Number of plans, policies and strategies that support national climate change objectives		5	6	4	4				MACCE	



ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
6.3 Enhanced national disaster risk reduction, preparedness and recovery capacity	6.3.2 Strengthen climate information services and early warning systems	Installation of weather stations	5	9	10	10	10	10			SMA	
		Multi Hazard impact-based forecast established	0	0	0	1	0	0			SMA	
	6.3.3 Strengthen disaster risk coordination across relevant institutions	Country vulnerability assessments conducted	0	1	1	1	1				DRMD	
6.4 Sustainable development mainstreamed through the responsible use and management of environmental resources	6.4.1 Ensure effective management of designated protected areas	Coverage of marine protected areas (% of total area)	32.6	32.6	32.6	32.6	32.6	32.6		MACCE	MACCE	SPGA, PA Managers, SeyCCAT
		Percentage coverage of terrestrial protected areas (% of total area)	48.2	48.2	48.2	48.2	49.0	50.0		MACCE	MACCE	SPGA
		Number of protected areas (both marine and terrestrial) with management plans in place	15	15	16	16	20	20		MACCE	MACCE	SPGA, PA Managers
	6.4.2 Minimize the loss of species and ecosystems	Number of sites under effective Invasive plant species/ creepers management	10	10	10	12	15	20		MACCE	MACCE	SPGA, ENGOs
		Number of programs implemented to eradicate and/or control invasive alien species	8	8	10	12	14	16		MACCE	MACCE	Department of Agriculture (biosecurity) SPGA, ENGOs
		Number of programmes implemented to restore degraded ecosystem		4	4	5	5	5		MACCE	MACCE	SPGA, ENGOs



## ANNEX 1

Information not provided

Outcomes	Strategies	Indicators	Baseline (2022)	Implementation Target						Data Source	Lead Agencies	Implementing Partners
				2023	2024	2025	2026	2027	2028			
6.5 An effective and sustainable waste management system	6.5.1 Reduce volume of waste reaching final disposal sites	Waste reaching the Providence landfill (metric tonnes)	68765.0	68765.0	67389.7	64020.2	57618.2	48975.5		LWMA	MACCE/LWMA	LWMA/Private sector/Blue Economy Department
	6.5.2 Divert organic waste from final disposal sites	organic waste diverted from the Providence landfill (% of total)	0.0	0.0	2.0	10.0	20.0	30.0		LWMA	LWMA	MACCE/S4S/R2R/Farmers/IOT/Agriculture Department













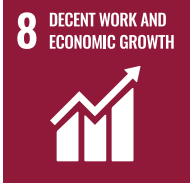































# **Annex 2: NDS Alignment with SDGs & Agenda 2063**



ANNEX 2

Priority Areas of NDS	Corresponding Sustainable Development Goals	Corresponding Agenda 2063 Goals
<p><b>1. A Modern Public Service</b></p>	        	<ul style="list-style-type: none"> <li>• A High Standard of Living, Quality of Life and Well Being for All Citizens</li> <li>• Transformed economies</li> <li>• Capable institutions and transformative leadership in place</li> </ul>
<p><b>2. Transformative Economic Agenda</b></p>	       	<ul style="list-style-type: none"> <li>• Capable institutions and transformative leadership in place</li> <li>• Blue/Ocean Economy for accelerated economic growth</li> <li>• Modern Agriculture for increased productivity and production</li> </ul>
<p><b>3. 3: A Healthy Nation</b></p>	     	<ul style="list-style-type: none"> <li>• A High Standard of Living, Quality of Life and Well Being for All Citizens</li> <li>• Healthy and well-nourished citizens</li> </ul>



Priority Areas of NDS	Corresponding Sustainable Development Goals	Corresponding Agenda 2063 Goals
<p><b>4. Promotion of Law and Order</b></p>	    	<ul style="list-style-type: none"> <li>• Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched</li> <li>• Peace Security and Stability is preserved</li> <li>• A stable and peaceful Africa</li> <li>• Fully functional and operational APSA</li> <li>• Full Gender equality in all spheres of life</li> </ul>
<p><b>5. A Modern Education System aligned with future needs</b></p>	    	<ul style="list-style-type: none"> <li>• Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation</li> <li>• Engaged and empowered Youth and Children</li> </ul>
<p><b>6. Environment Sustainability and Climate Change Resilience</b></p>	      	<ul style="list-style-type: none"> <li>• Environmentally sustainable and climate resilient economies and communities</li> <li>• Blue/Ocean Economy for accelerated economic growth</li> </ul>

# Annex 3: NDS Alignment with Seychelles' Nationally Determined Contribution (NDC)

In accordance with the Paris Agreement, the Government of Seychelles submitted its updated Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in July 2021. The revised NDC reflects the country's commitment to scale-up climate action towards a more resilient and sustainable future.

In the case of mitigation ambitions, Seychelles seeks to implement the necessary measures to reduce economy-wide Greenhouse Gas (GHG) emissions by 26.4% compared to the business-as-usual scenario by 2030. Over the longer term, the Government is committed to reach the target of net zero emissions by 2050, with a view to achieve a just and equitable energy transition.

As a Small Island Developing State (SIDS), Seychelles is prone to the impacts of climate change, including rising sea levels, extreme weather events and ocean acidification, which adversely affect economic activities, livelihoods and infrastructure. Therefore, adaptation to climate change is critical in order to achieve the country's sustainable development agenda. For this reason, Seychelles' NDC focuses on implementing necessary adaptation measures across sectors, with a primary focus on key areas such as health, energy, agriculture, coastal management, disaster and risk management as well as tourism.

An exercise was undertaken to mainstream priority climate adaptation and mitigation objectives outlined in the Nationally Determined Contribution (NDC) within the NDS (2024-2028) with the aim to ensure that investment decisions are consistent with the outcomes expected in the NDC. Subsequently, this section will outline and map the linkages between the NDC objectives and the priority areas of Government for the duration 2024-2028, as follows:

- i. A Modern Public Service**
- ii. Transformative Economic Agenda**
- iii. A Healthy Nation**
- iv. Law and Order**
- v. A Modern Education Systems aligned with Future Needs**
- vi. Environmental Sustainability and Climate Change Resilience**

## 1. A Modern Public Service

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
An established and operational public sector college to address human resource gaps and instill a culture of lifelong learning within public sector.	<p>Investing in local skills development, professional development and peer-to-peer support networks to assist in mainstreaming climate change mitigation and adaptation considerations into key economic sectors</p> <p>Make climate change part of human resource planning and development in order to effectively respond to climate change impacts and protect the most vulnerable population in society.</p> <p>Build capacity to implement and monitor climate change actions in sectoral plans and strategies.</p>	<p>Training of public servants to foster an understanding of climate change.</p> <p>Adopting a strategic foresight framework for climate action at the national level will support the Government's efforts to meet NDC targets in the short run while also building long run resilience to the impacts of climate change.</p>



**2. The Transformative Economic Agenda**

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
<b>Tourism</b>		
<p>A more sustainable, resilient and integrated Tourism model achieved through product enhancement, capacity building, diversification, and market differentiation.</p>	<p>Promoting long-term sustainable planning and management of tourism infrastructure, and coastal management.</p> <p>Shifting towards responsible tourism and circular economy</p> <p>Continue building local adaptation capacity in the tourism sector, tertiary education institutions</p> <p>Develop a climate change strategy for the sector can be developed, based on the recommendations from the Tourism Master Plan and the Tourism Value Chain Analyses.</p> <p>Diversify the sector to create economic resilience, e.g. including eco-tourism and alternatives to coral reef dependent activities whilst simultaneously engaging the local community.</p> <p>Engagement of SMEs in climate change adaptation, since Small and Medium-sized Enterprises (SMEs) are often less capable of adapting to climate change,</p>	<p>Government promotes resilience and sustainability within the sector, with a focus on minimizing externalities on the economy such as pollution and waste.</p> <p>Implement enhanced green, responsible and sustainable tourism practices through the adherence to standards, including the SSTL</p> <p>Tourism Environmental Sustainability Levy introduced.</p>
<b>Agriculture</b>		
<p>a. Improved food and nutrition security coupled with economically sustainable import substitution.</p> <p>b. Appropriate short- and medium-run structures and mechanisms established in support of sustainable and economically viable forms of agriculture.</p>	<p>Promote the integration of climate adaptation into food security strategies</p> <p>Promote climate-smart agriculture including water efficient irrigation, rainwater harvesting and expansion of climate adapted crops and livestock.</p> <p>Expand agroforestry to promote soil conservation, food security and biodiversity conservation</p> <p>Continue to implement biosecurity measures to control and minimize the importation of new agricultural pests and diseases</p>	<p>Government works to identify a viable, sustainable and optimal long-run structure for the agricultural sector. This includes the promotion of climate-smart, modern techniques to boost agricultural productivity.</p> <p>As climate change increases the likelihood of farming shifting from flat areas to higher elevation, Government is also promoting agroforestry as a means of increasing the yield from the agricultural sector.</p> <p>Increased sustainable production in the agricultural sector and improved integration within the economic value chains.</p> <p>Facilitate and improve access to irrigation water to farmers.</p> <p>Reduce the negative effects of pest and diseases on agricultural production</p>



## ANNEX 3

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
Fisheries and Blue Economy: Increased sustainable value-addition and product diversification.	<p>Develop and implement effective, sustainable and license-based fisheries management plans, integrating climate change adaptation, to ensure sustainable use of resources and avoid overexploitation.</p> <p>Work with the private sector to support diversification of the sector with a focus on promoting investment in sustainable aquaculture.</p> <p>Invest in research to understand the vulnerability of the various fisheries and the sector to climate change.</p> <p>Promote awareness and utilization of existing funding options that support sustainability transitions and empower climate adaptation of the sector .</p> <p>Develop and implement effective, sustainable and license-based fisheries management plans.</p> <p>Promote diversification within the sector, with a focus on investment in sustainable aquaculture.</p> <p>Invest in vulnerability assessments within the sector.</p> <p>Promote awareness and utilization of existing funding options to support sustainable transition and climate adaptation.</p> <p>Promote gender inclusion.</p>	<p>Implement sector governance and management of fisheries resources by undertaking maritime resource assessments</p> <p>Promote sustainable Trade and build capacity in the sector</p> <p>Develop the Fish Processing Zone and other fisheries related infrastructures</p> <p>Develop aquaculture</p> <p>Maximize Revenue from Research in the ocean space and sale of data captured</p> <p>Develop the Circular Economy, using by-products &amp; waste from fish transformation and other sectors in the economy.</p>

## 3. A Healthy Nation

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
Increased life and healthy life expectancy with decreased key risk factors for health	<p>Build local capacity to plan for and address climate change adaptation in the health sector, including capacity for risk assessments and increasing institutional readiness.</p> <p>Improve health surveillance related to climate change</p> <p>Undertake research to improve understanding of the links between climate change and health trends</p> <p>Monitor, evaluate and coordinate climate related actions and research in the health sector.</p> <p>Work with international and local partners to support the implementation of the SCCHAP and build capacity in this area.</p>	<p>The health sector will conduct a 'vulnerability and adaptation assessment' as part of Seychelles' third national communication under the UNFCCC.</p> <p>Promote healthy living for all age-groups and address risk factors for priority diseases.</p> <p>Revitalise Health-in-All Policies including climate change policies.</p>



**4. Promotion of Law and Order**

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
Strengthened Border security at all points of entry into the country	Continue to implement biosecurity measures to control and minimize the importation of new agricultural pests and diseases	Management of Bio-security threats and impacts on the economy

**5. A Modern Education System in line with Future Needs**

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
A reformed education system aligned with the realities of Seychelles today and for the future	Expanding and supporting climate change, blue economy and marine education curriculum development, programs and internships, in the formal education system, particularly those that strengthen Science, Technology, Engineering and Mathematics (STEM)	Integrating climate-related issues into the academic curricula, including in relevant courses at the University of Seychelles and other post-secondary level institutions.
Inclusive educational institutions to cater to all students.	Integrating climate mitigation and adaptation content into the curricula of University of Seychelles and other post-secondary education institutions (e.g. Seychelles Tourism Academy, Maritime Training Academy, Seychelles Institute of Technology, Seychelles Institute of Agriculture and Horticulture, etc.	Strengthen the Technical and Vocational education and training .  Reskilling
A culture of life-long learning established to ensure employability and productivity.		The Ministry of Education seeks to develop and adopt an aligned curricula relative to needs to ensure that students are equipped with the relevant skills and knowledge, today and for the future.

**6. Environmental Sustainability and Climate Change Resilience**

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
6.1 Effective Implementation of measures to achieve climate mitigation goals	<ul style="list-style-type: none"> <li>By 2030, Seychelles commits to reduce economy-wide GHG emissions by 26.4% below the BAU scenario.</li> <li>The 2030 commitments are set with the long-term goal of achieving a decarbonised net-zero emissions economy by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Key actions focus on the modernization of the entire electricity sector, increasing electricity generation from renewable sources and improving energy efficiency across sectors. This is supported by the ongoing energy sector reform and Integrated Resource Planning, which is currently being developed.</li> <li>The Government is also promoting the shift from fossil fuel-engineered transport to more sustainable mode of transportation.</li> </ul>
6.2 Strengthened resilience to the impacts of climate change	<p>Priority adaptation actions target key sectors as follows:</p> <ol style="list-style-type: none"> <li>Coastal Management</li> <li>Critical Infrastructure</li> <li>Fisheries</li> <li>Tourism</li> <li>Agriculture and Biosecurity</li> <li>Resilience of Blue Carbon Ecosystems</li> <li>Biodiversity Conservation</li> <li>Health</li> <li>Early Warning and Disaster Risk Management</li> </ol>	<ul style="list-style-type: none"> <li>Promoting the mainstreaming of climate change considerations across relevant plans, policies and strategies</li> <li>Implementing measures for conservation and restoration of wetlands.</li> <li>As part of the Reform Measures of the RSF, the MoFNPT, together with relevant sector ministries, develop and submit a pipeline of appraised climate-related projects for recommendation by the Inter-Ministerial Committee and approval by the MoFNPT as part of the budget process.</li> </ul>



## ANNEX 3

Outcomes	NDC Objective	Key Actions during the implementation period of NDS 2024-2028
6.3 Enhanced national disaster risk reduction, preparedness and recovery capacity	<ul style="list-style-type: none"> <li>• Implementing the National Integrated Emergency Management Plan</li> <li>• Building capacity to monitor risks and hazards related to climate impacts</li> <li>• Building early warning systems</li> <li>• Mainstreaming climate change considerations across sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of weather stations and establishment of multi hazard impact-based forecast towards improving climate information services.</li> <li>• Country vulnerability assessments will be conducted to identify the climate-related risks across all sectors with a view to strengthen preparedness and response to climate related hazards.</li> </ul>
6.4 Sustainable development mainstreamed through the responsible use and management of environmental resources	<ul style="list-style-type: none"> <li>• Promote the sustainable use of resources and avoiding overexploitation across all sectors, including fisheries and tourism.</li> <li>• The NDC also seeks to protect coastal wetlands and blue carbon ecosystems.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring sustainable management of marine and terrestrial protected areas</li> <li>• Implementing measures to eradicate and control Invasive plant species/creepers.</li> </ul>
6.5 An effective and sustainable waste management system	<ul style="list-style-type: none"> <li>• According to Seychelles' updated NDC, the target emission in the waste sector (due to methane) in 2030 is 17.8 ktCO<sub>2</sub>e.</li> <li>• The Government is also promoting the adoption of a circular economy approach.</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing the volume of waste reaching final disposal sites</li> <li>• Diverting organic waste from the landfill to reduce future methane generation.</li> </ul>



# Annex 4: Contingency Planning

## Country Information and Context Analysis

This chapter maps out a comprehensive mitigation and contingency plan for the duration of the implementation of the National Development Strategy. It seeks to detail a proactive strategy which provides the course of actions that the responsible entities will require to implement in ensuring that risks are minimized and responds to unforeseen events efficiently and effectively. With such mechanisms in place, elements such as readiness and preparedness to shocks are reinforced, which will in turn strengthen resilience principles within the planning functions. In addition to ensuring that impacts of shocks are minimized, the mitigation and contingency plan plays an instrumental role in ensuring continuity, risk management and disaster recovery. It should be noted that this plan elaborates on the most relevant risks for Seychelles, as specified in the previous chapter.

## Risk management strategy and Contingency measures

The table below depicts a series of mitigation and contingency measures which would be undertaken in respect of the specific risks identified in the previous chapter.

Description of risk	Likelihood of occurrence	Potential impact	Mitigation measures	Contingency measures	Responsible
Climate Change	Probable	Extreme	<ul style="list-style-type: none"> <li>Promote a prosperous low-carbon economy, including through climate-smart blue economy investments</li> <li>Strengthen policies to include targets for emission reductions, increased use of renewable energy, and increased energy efficiency</li> <li>Introduce carbon pricing to reduce emissions</li> <li>Strengthen climate change adaptation and awareness</li> <li>Support innovation, research and development of technologies to combat climate change</li> <li>Ensure collaboration within the country and beyond its borders to win the fight against climate change</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that Climate Change contingency measures are embedded in MDAs plans and policies.</li> <li>Allocate contingency budget to MDAs</li> <li>Adopt adaptation measures and practices</li> <li>Increase partnerships within the country and beyond its borders to fight the impact of climate change</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Agriculture, Environment and Climate Change</li> <li>Public Utilities Corporation</li> <li>Ministry of Finance, National Planning and Trade</li> <li>Disaster Risk Management Division</li> </ul>



ANNEX 4

Description of risk	Likelihood of occurrence	Potential impact	Mitigation measures	Contingency measures	Responsible
Funding	Likely	Extreme	<ul style="list-style-type: none"> <li>• Mobilize resources locally and externally</li> <li>• Raise funds by engaging the private sector through increasing the number of Public-Private Partnerships</li> <li>• Provide incentives for diaspora community to invest in priority projects</li> <li>• Attract foreign investors to finance priority projects</li> <li>• Access to grants</li> <li>• Innovative Financing (Blue Bond, Green Bond, SDG Bond)</li> <li>• Building a project pipeline to mobilize climate finance, grants and concessional loans.</li> </ul>	<ul style="list-style-type: none"> <li>• Borrowing:               <ul style="list-style-type: none"> <li>&gt; Domestic borrowing (issuing treasury bills and bonds)</li> <li>&gt; External borrowing (ideally concessional loans)</li> </ul> </li> <li>• Access to grants</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Finance, National Planning and Trade</li> <li>• Seychelles Investment Board</li> <li>• Central Bank of Seychelles</li> <li>• Ministry of Foreign Affairs and Tourism</li> <li>• Private Sector organizations</li> </ul>
Pandemics	Likely	Extreme	<ul style="list-style-type: none"> <li>• Undertake all actions before, during and after a pandemic as recommended by WHO</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake all actions before, during and after a pandemic as recommended by WHO</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Health</li> <li>• Disaster Risk Management Division</li> </ul>
Substance Abuse and Social ills	Probable	Extreme	<ul style="list-style-type: none"> <li>• Strengthen prison and justice systems</li> <li>• Educate the population about substance abuse- starting at a young age and sustaining the campaign</li> <li>• Introduce rehabilitation programmes for people recently released from prison</li> <li>• Strengthen programmes for prevention of drug and alcohol abuse and rehabilitation of addicts</li> <li>• Engage civil society to facilitate the participation of everyone in the economy</li> <li>• Realign the social protection system to focus more on helping people participate in the economy</li> <li>• Strengthen employment programmes to encourage and facilitate participation of all</li> <li>• Increase training within the field to better comprehend the complexities of social ills</li> </ul>	<ul style="list-style-type: none"> <li>• Increase counselling programmes at all levels</li> <li>• Introduce social protection programmes to improve socio-economic conditions</li> <li>• Invest in facilities for rehabilitation of addicts</li> <li>• Strengthen Child protection services to provide support for affected children and parents</li> </ul>	<ul style="list-style-type: none"> <li>• Judiciary</li> <li>• Prison Services</li> <li>• Agency for the Prevention of Drug Abuse and Rehabilitation</li> <li>• Department of Social Affairs</li> <li>• Seychelles Police</li> <li>• Ministry of Family, Youth and Sports</li> <li>• Agency for Social Protection</li> <li>• Ministry of Health</li> </ul>



Description of risk	Likelihood of occurrence	Potential impact	Mitigation measures	Contingency measures	Responsible
Non-Communicable diseases	Probable	Extreme	<ul style="list-style-type: none"> <li>Promote and coordinate activities for the prevention, control, and elimination of communicable and non-communicable diseases</li> <li>Promote and continuously undertake immunization programs</li> <li>Strengthen national capacity to prevent breakout of diseases</li> <li>To promote healthy lifestyles to prevent obesity</li> </ul>	<ul style="list-style-type: none"> <li>Allocate specific budget and adapted health services to deal with the illnesses.</li> <li>Enhance capacity of health staff to deal with the diseases.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Health</li> </ul>
Cybercrime	Possible	Medium	<ul style="list-style-type: none"> <li>Implement the Cybersecurity Act</li> <li>Enhance capacity to enforce Cybersecurity Act</li> <li>Encourage institutional development to create an innovative and robust STI ecosystem</li> <li>Promote use of STI</li> <li>Implement the Digital Economy Agenda</li> <li>Improve STEM education</li> <li>Improve accessibility, connectivity and affordability to digital devices</li> <li>Enhance digital literacy programmes at all levels</li> </ul>	<ul style="list-style-type: none"> <li>Continuously review the Cybersecurity Act to reflect current realities</li> <li>Train personnel to ensure sufficient capacity</li> <li>Review and reprioritize proposed digital projects to ensure optimal efficiency</li> <li>Seek technical support and technology transfer from partners</li> </ul>	<ul style="list-style-type: none"> <li>Department of Information Communications Technology (DICT)</li> <li>Seychelles Police</li> <li>Financial Intelligence Unit</li> </ul>
Demography- Ageing Population	Probably	High	<ul style="list-style-type: none"> <li>Encourage longer careers by raising retirement ages</li> </ul>	<ul style="list-style-type: none"> <li>Retirement homes</li> <li>Ensure sustainability of social protection and home care</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Employment and Social Affairs</li> <li>Pension Fund</li> </ul>
Resource Constraint	Possible	High	<ul style="list-style-type: none"> <li>Full implementation of the RBM Framework for better resources allocation through enhancing the planning function.</li> <li>Successfully implement the Human Resource Plan to address human resource constraints</li> <li>Promote more efficient land use</li> <li>Utilize of uninhabited island for farming and agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Foreign labour</li> <li>Vertical development</li> <li>Land reclamation</li> <li>External finance</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Lands and Housing</li> <li>Employment Department</li> <li>PSB</li> <li>Agriculture Department</li> <li>IDC</li> <li>MoFNPT</li> </ul>
Market Dependency	Likely	Medium	<ul style="list-style-type: none"> <li>Identify alternative markets for basic commodities</li> <li>Promote incentives for product and market diversification</li> <li>Boost local production</li> <li>Diversify the economy</li> </ul>	<ul style="list-style-type: none"> <li>Dynamic criteria for Food reserves</li> <li>Identify Buffers in terms of reserves for energy (Seypec and PUC)</li> </ul>	<ul style="list-style-type: none"> <li>STC</li> <li>Agriculture Department</li> <li>MIEI</li> <li>MoFNPT</li> </ul>



ANNEX 4

Description of risk	Likelihood of occurrence	Potential impact	Mitigation measures	Contingency measures	Responsible
Terrorism	Possible	Extreme	<ul style="list-style-type: none"> <li>Develop and implement counter terrorism measures</li> <li>Take security measures to protect people and organisations that could become the target of attacks</li> <li>Introduce severe penalties following prosecution for people involved in terrorism</li> <li>Monitoring of illicit financial flows</li> <li>Enhance maritime security and governance and prevention of attacks and response to acts of maritime crimes</li> <li>Enforce national and international maritime laws in maritime zones as applicable</li> <li>Implement the Maritime Security Plan</li> <li>Support the shipping and fishing industries by advising on self-protection measures on how to avoid, deter and delay pirate attacks</li> <li>Review existing laws against or relating to piracy and enhance our ability to prosecute individuals for piracy</li> <li>Build regional and international cooperation to enhance our ability to combat piracy</li> <li>Explore innovative security solutions on the seas</li> <li>Continuously build capacity of relevant bodies</li> </ul>	<ul style="list-style-type: none"> <li>Ensure Military coordination in the region for training and operations</li> <li>Conduct High Level Committee meeting</li> <li>Seek assistance in the fight against piracy from foreign partners</li> </ul>	<ul style="list-style-type: none"> <li>Seychelles Police</li> <li>Financial Intelligence Unit</li> <li>Central Bank</li> <li>Seychelles Defence Force</li> </ul>
Complacency	Possible	Medium	<ul style="list-style-type: none"> <li>Monitoring and evaluation framework for NDS</li> <li>Effective communication of NDS and concept of "ownership for all"</li> <li>Full roll out of RBM</li> <li>Conduct RBM Training for staff members</li> </ul>	<ul style="list-style-type: none"> <li>Introduce strong incentives and sanctions</li> </ul>	<ul style="list-style-type: none"> <li>All MDAs</li> <li>Public Service Bureau</li> <li>RBM custodians</li> </ul>
Social Instability	Possible	Medium	<ul style="list-style-type: none"> <li>Organising spaces for Social Dialogues including on potential conflict issues such as land disputes</li> <li>Promoting anti-corruption practices</li> <li>Addressing poverty and inequality</li> <li>Grievances mechanisms set up</li> </ul>	<ul style="list-style-type: none"> <li>Enforcement of law and order</li> <li>Framework for negotiations</li> <li>Comprehensive Communication Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Internal Affairs</li> <li>ACCS</li> <li>Ministry of Family, Youth and Sports</li> <li>Ministry of Employment and Social Affairs</li> </ul>



Description of risk	Likelihood of occurrence	Potential impact	Mitigation measures	Contingency measures	Responsible
Geopolitical Risk	Likely	High	<ul style="list-style-type: none"> <li>Continuously enhance international relations from bilateral and multilateral partners.</li> <li>Negotiations with other countries for clauses in trade agreements to ensure continuous supply.</li> </ul>	<ul style="list-style-type: none"> <li><i>(This is an external risk, thus contingency measures addressed elsewhere especially under market dependency)</i></li> </ul>	<ul style="list-style-type: none"> <li>Foreign Affairs Department</li> <li>MoFNPT</li> </ul>
Biosecurity Risk	Likely	Medium	<ul style="list-style-type: none"> <li>Undertake continuous inspections at all ports of entry</li> <li>Continuously review acts and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Protocols/SOPs in place</li> </ul>	<ul style="list-style-type: none"> <li>Biosecurity Agency</li> <li>SRC- Customs Division</li> </ul>
Impacts of the Extractive Industry	Possible	High	<ul style="list-style-type: none"> <li>Policy Framework for sustainable development of the sector. The policy will be guided by environmental, occupation safety and health standards.</li> </ul>	<ul style="list-style-type: none"> <li>Industrial Hazard Plan in place.</li> </ul>	<ul style="list-style-type: none"> <li>Blue Economy Department</li> <li>MIEI</li> <li>Department of Environment</li> <li>Department of Climate Change</li> <li>Ministry of Health</li> </ul>

**Monitoring**

To ensure that the identified risks and associated mitigation and contingency measures remain relevant within the Seychelles context, constant monitoring of the plan would be key. As such, continuous review would serve as an early warning mechanism where risks may materialize. In turn, this would thus ensure that the appropriate mitigation and contingency strategies are implemented successfully.

Continuous monitoring would therefore include:

- Identification and tracking of risk indicators
- Monitoring risk changes
- Evaluating the performance of risk mitigation and contingency strategies
- Regular reporting on risks and actions taken
- Redefining risk mitigation and contingency strategies

**Reporting**

To ensure relevance of the strategies and ownership by identified entities, the reporting frequency will be on a systematic basis, but can happen any time depending on the country's situation.

The report will be detailed and the reporting format will be as follows:

- A clear description of the risk, including context
- The impact, likelihood and rating for the risk according to the risk assessment conducted
- Current mitigation strategy for the risk including current actions or controls to mitigate the risk
- Current contingency strategy for the risk including actions or control to respond to arising risk
- Proposed mitigation strategies with additional actions and controls to be implemented
- The responsible person or organization for the mitigation/contingency strategy
- Timeline for implementation of mitigation strategy
- Key risk indicators to track the status of the risk



**ANNEX 4**

**Conclusion**

Risk management remains as a pivotal component in ensuring the successful implementation of the NDS. Within the duration of the five-year plan, monitoring and reporting of the risk, mitigation and contingency measures would be critical as the landscape continuously evolves. With the primary objective of decreasing the probability and impact of events adverse to the implementation of the NDS, this will further assist in delivering on the strategies' goals.

# Annex 5:

## Abbreviations & Acronyms

<b>ACCS</b>	Anti-Corruption Commission of Seychelles
<b>ADF</b>	Agriculture Development Fund
<b>AI</b>	Artificial Intelligence
<b>AML</b>	Anti-Money Laundering
<b>AML/CFT</b>	Anti-Money Laundering and Countering Financial Terrorism
<b>ASP</b>	Agency for Social Protection
<b>ASYCUDA</b>	Automated System for Customs Data
<b>BADEA</b>	Arab Bank for Economic Development in Africa
<b>BAU</b>	Business As Usual
<b>BRICS</b>	Brazil Russia India China South-Africa
<b>CAS</b>	Case Anticipation System
<b>CBS</b>	Central Bank of Seychelles
<b>CEPS</b>	Citizens Engagement Platform Seychelles
<b>CERT</b>	Computer Emergency Response Team
<b>CERT-MU</b>	Computer Emergency Response Team-Mauritius
<b>CIS</b>	Credit Information System
<b>CMM</b>	Capacity Maturity Model
<b>C-PIMA</b>	Climate- Public Investment Management Assessment
<b>CSO</b>	Civil Society Organisation
<b>DICT</b>	Department of Information, Communication & Technology
<b>DRDM</b>	Disaster Risk Management Division
<b>DSAPTR</b>	Division for Substance Abuse Prevention, Treatment and Rehabilitation
<b>EEZ</b>	Exclusive Economic Zone
<b>ENGOS</b>	Environmental Non-Governmental Organisations
<b>EPR</b>	Extended Producer Responsibility
<b>EU</b>	European Union
<b>FDI</b>	Foreign Direct Investment
<b>FIU</b>	Financial Intelligence Unit
<b>GBV</b>	Gender Based Violence
<b>GEF</b>	Global Environment Facility
<b>GERSP</b>	Governance and Economic Reforms Support Program
<b>GHG</b>	Greenhouse Gas
<b>HDI</b>	Human Development Index
<b>HiAP</b>	Health in All Policies
<b>HIV</b>	Human Immunodeficiency Virus
<b>HR</b>	Human Resource



## ANNEX 5

<b>IECD</b>	Institute for Early Childhood Development
<b>IFMIS</b>	Integrated Financial Management Information Systems
<b>IMF</b>	International Monetary Fund
<b>IOA</b>	Investment Opportunity Area
<b>IOTC</b>	Indian Ocean Tuna Commission
<b>IRP</b>	Integrated Resource Plan
<b>ISO</b>	International Organisation for Standardisation
<b>IT</b>	Information Technology
<b>LMO</b>	Liability Management Operation
<b>LT-LEDS</b>	Long-Term Low Emission Development Strategy
<b>LWMA</b>	Landscape and Waste Management Agency
<b>MACCE</b>	Ministry of Agriculture, Climate Change and Environment
<b>MDA</b>	Ministries, Departments & Agencies
<b>MIEI</b>	Ministry of Investment, Entrepreneurship and Industry
<b>MOE</b>	Ministry of Education
<b>MoFNPT</b>	Ministry of Finance, National Planning and Trade
<b>MOU</b>	Memorandum of Understanding
<b>MPI</b>	Multidimensional Poverty Index
<b>MTES</b>	Medium-Term Expenditure Strategy
<b>MTEF</b>	Medium Term Fiscal Framework
<b>MVI</b>	Multidimensional Vulnerability Index
<b>NAC</b>	National Anti-Money Laundering and Countering the Financing of Terrorism Committee
<b>NBS</b>	National Bureau of Statistics
<b>NDC</b>	Nationally Determined Contribution
<b>NEET</b>	Not in Education, Employment or Training
<b>NGO</b>	Non-Governmental Organisation
<b>NISCC</b>	National Information Sharing and Coordination Centre
<b>NPOs</b>	Non-Profit Organisations
<b>NRA</b>	National Risk Assessment
<b>NSP</b>	National Strategic Planning
<b>NSPS</b>	National Strategic Plan for Statistics
<b>NSS</b>	National Statistical System
<b>ODA</b>	Overseas Development Assistance
<b>OECD</b>	The Organization for Economic Cooperation and Development
<b>OFID</b>	OPEC Fund for International Development
<b>OGP</b>	Open Government Partnership
<b>OPEC</b>	Organization of Petroleum Exporting Countries
<b>PC</b>	Professional Centres
<b>PEFA</b>	Public Expenditure and Financial Accountability
<b>PER</b>	Public Expenditure Reviews
<b>PHC</b>	Primary Health Care



<b>PIMA</b>	Public Investment Management Assessment
<b>PM&amp;E</b>	Performance Monitoring and Evaluation
<b>PMS</b>	Performance Management System
<b>PPBB</b>	Programme Performance Based Budgeting
<b>PPP</b>	Public-Private Partnership
<b>PSB</b>	Public Service Bureau
<b>PSIP</b>	Public Sector Investment Programme
<b>PUC</b>	Public Utilities Corporation
<b>R2R</b>	Ridge-to-Reef
<b>RBM</b>	Results-Based Management
<b>RCOC</b>	Regional Coordination Operations Centre
<b>RSF</b>	Resilience and Sustainability Fund
<b>S4S</b>	Sustainability for Seychelles
<b>SADC</b>	Southern African Development Community
<b>SALS</b>	School of Advanced Level Studies
<b>SCCI</b>	Seychelles Chamber of Commerce and Industry
<b>SDG</b>	Sustainable Development Goal
<b>SEC</b>	Seychelles Energy Commission
<b>SeyCCAT</b>	Seychelles Conservation and Climate Adaptation Trust
<b>SIDOL</b>	Seychelles Institute of Distance and Open Learning
<b>SIDS</b>	Small Island Developing States
<b>SITE</b>	Seychelles Institute of Teachers Education
<b>SMA</b>	Seychelles Meteorological Authority
<b>SMSP</b>	Seychelles Marine Spatial Plan
<b>SNYC</b>	Seychelles National Youth Council
<b>SOE</b>	State Owned Entities
<b>SPGA</b>	Seychelles Parks and Gardens Authority
<b>SRC</b>	Seychelles Revenue Commission
<b>STEM</b>	Science Technology Engineering Mathematics
<b>TGMI</b>	The Guy Morel Institute
<b>TWG</b>	Technical Working Group
<b>UHC</b>	Universal Health Coverage
<b>UN</b>	United Nation
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UniSey</b>	University of Seychelles
<b>VA</b>	Virtual Asset
<b>VASP</b>	Virtual Asset Service Providers
<b>VNR</b>	Voluntary National Review
<b>WBG</b>	World Bank Group
<b>WHO</b>	World Health Organisation

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# Annex 7: Garden Of Eden Scenario



**Garden of Eden is the best-case scenario.** Here, the economy has been transformed, is diversified and is booming. Growth has been inclusive, sustainable, with Seychellois at the center of all development efforts. Seychelles is a unified nation in which citizens have been able to overcome political, religious and social divides. Moreover, the country has become resilient to the adverse effects of climate change by taking all necessary measures to minimize damage to property and to safeguard lives.

The government is democratic, transparent, accountable and practices sound governance, with the interests and well-being of every citizen at the core of government policy. The three branches of government (executive, legislative, parliamentary) work efficiently to ensure the smooth running of the country. Seychellois trust government institutions to deliver on their respective mandates and to ensure the highest possible level of public service delivery.

People have been placed at the centre of development, allowing them to be active participants in the development process. Seychellois are engaged in the productive sectors of the economy, with a large year on year increase in the number of locals employed directly and indirectly in tourism, fisheries, the financial sector as well as other supporting industries.

Seychellois, as far as possible, live healthy lives with a focus on attaining personal and collective well-being. The country has successfully attained the goals and targets of SDG 3. Governance of the health system, is efficient and allows regulatory practices and the seamless implementation of the "health in all" approach. Seychellois society is keenly aware of the high cost of medical care, and is endeavoring to employ sustainable financing options to ensure longevity of the health system, as well as responsible use of medical resources. Existing and new partnerships with all sectors, as well as international organizations and partner countries, has meant that Seychelles benefited from greater medical innovation and technological advancement, allowing the standard of healthcare in Seychelles to advance, with telemedicine allowing world class healthcare to be offered to all Seychellois.



## ANNEX 7

The people of Seychelles are amongst the most highly educated, empowered and responsible citizens in Africa, paving the way for them to be engaged in building a sustainable, inclusive and equitable society. Efforts to ensure quality education from early childhood have been successful, with schools (both academic and vocational) reporting high achievement by their students. Several prominent educational institutions have been established via Public – Private partnerships, allowing for synergies with the private sector to be exploited and cost savings to be made on the national budget. Application of modern technology combined with international partnerships has enabled the highest quality education to be offered to Seychellois overcoming teacher shortages. This further allows Seychelles to develop, as the skilled people are contributing to the country's current-day labour and skills needs, all while bearing in mind, those of the future. There is an active drive to build the capacity of the current workforce, and in-service training is mandatory.

A migration policy framework is carefully managing the quantity and quality of expatriate labour, ensuring that the migrant labour is to the benefit of Seychelles and encouraging recruitment of highly-skilled expatriate labour where needed as a means extend the local skills base. Seychelles has become a global centre of expertise on the Blue Economy, attracting the world's experts to undertake research in the country. Integration of migrant workers has been successful with no incidents of tension and unrest linked to migrant workers. There is a pleasant and neighborly relationship between the Seychellois people and the migrant population. It is generally understood that Seychelles requires the additional manpower from overseas, but the country needs to work towards gradual localization of key employment opportunities.

Peace and harmony is the norm in Seychelles, with strong community ties and national unity atop the agenda. Through its all-inclusive approach, the country has seen pronounced improvements in gender equality, human rights protection and a reduction in inequality. Volunteerism and philanthropy are commonplace and lay the foundation for a future generation of more caring and socially aware individuals. Minority groups and marginalized sections of society have a voice and are catered to by robust and results-oriented social protection mechanisms. Abuse of the welfare system is minimal, as people are more educated and mindful of the associated costs and drawbacks of such behavior. Seychelles has been able to partly address its once-rampant social ills as former addicts are given the necessary opportunities for smooth re-integration into society, following comprehensive detoxification and rehabilitation.

There is a strong sense of patriotism and national identity. Seychellois are in tune with the nation's diverse ancestry, with a keen focus on acceptance and embracing the multitude backgrounds of Seychelles. Both public and private institutions are actively pursuing activities to promote and uphold Seychellois culture for all to benefit. Music, visual art, and other art forms flourish, giving a boost to the local art scene. Communities, faith-based organizations and other NGOs rally to provide spiritual and pastoral care to the people of Seychelles. The emphasis on spiritual well-being is received positively and is seen as a tool to build stronger familial and neighborly bonds as well as catalyst for fostering reconciliation and unity.

Seychelles has become a tech-savvy nation which exploits the benefits of simple but fit-for-purpose technology solutions. There is a conducive framework for the development of home-grown technological inventions, and strong investment in creating the necessary technological infrastructure. The incentives in place allow for startups and/or established entities to venture into research and development. Research and development is a national priority, and all relevant stakeholders have mobilized, and continue to mobilize resources to ensure a continuous evolution and expansion of ICT capabilities.

E-government is reinforced and leads to widespread delivery of government services, in a secure online environment. The business community is committed to promoting and mainstreaming E-commerce. This makes it easier for citizens, businesses alike to save time and costs associated with carrying out manual processes and traditional “pen and paper” transactions. The government and its partners, have created the enabling environment for the “adoption of “greener” appropriate and relevant technologies through policies which reward institutions that adopt sustainable, eco-friendly technology. Partnerships with international institutions of high repute continue to bear fruit with opportunities of exchanges made available for local tech entrepreneurs. Partnerships and joint ventures with global academic and research institutions have enabled the transfer of skills and application of appropriate state of the art technology.

Economic transformation has been achieved with considerable success, with greater value-addition in all sectors. The private sector operates unhindered, as bureaucracy is now a thing of the past. A diverse range of local products are available on the market, some of very high quality, allowing them to be marketed and sold in foreign markets, further adding value to the local economy. Tourism receipts are noticeably higher than ever before, as Seychelles reaps the benefits of exploiting new and emerging markets. High-value tourism continues to thrive, with Seychelles increasingly seen as a high-end destination for the most part. Tourism establishments are pioneering new environmental practices, as more and more hotels are marketing themselves as “green” establishments, catering to visitors keen on protecting the environment.

The economy has been transformed and diversified and is less reliant on the competitive tourism industry, and more resilient to external shocks. Seychelles is an exemplary economy, with a flourishing blue economy sector. A large proportion of Seychellois are employed in blue economy activities, tapping into the potential of the extensive EEZ. The Port of Victoria is leading port in the Indian Ocean and has become more technologically advanced, to meet the needs of current-day market conditions. Furthermore, it has been beefed-up to ensure that it can withstand the negative impacts of climate change. Aquaculture has been carefully adopted, in line international norms and best practices to ensure economic viability and environmental sustainability. As a global centre of expertise on the blue economy, Seychelles is at the forefront of extracting sustainable value from its large ocean resource. Seychellois are working in tandem with the international experts.

The financial sector is sound, allowing for ease of business and it is responsive to the emerging market opportunities with a focus on sustainable, smart savings and investment products for the Seychelles market. Seychelles has also established a niche market in specialised offshore financial services.

Infrastructure and public transport have been developed to meet the ever-increasing needs and expectations of a more prosperous public. Upgraded public transport services are now in the hands of multiple private operators, which maintain seamless connections around Mahé Praslin and La Digue. Furthermore, public transportation now caters for the disabled and makes provision for wheelchair access. In view, of the limited land available for more road networks, there is a more innovative and practical transportation infrastructure incorporating more efficient mass public land and water transport systems. The housing and real estate markets are now firmly in the hands of entities which provide the platform for the acquisition of safe, quality and suitable housing options. There remains social-housing options for those in need.

Seychelles remains a champion for international environmental protection and conservation, taking up noteworthy leadership roles on the international scene, allowing for strong partnerships to be forged with international partners. Seychellois are highly proud of the pristine natural environment, a large proportion of which remains designated as nature reserves, untouched by man. They endeavour to educate visitors and the youth on the importance of preserving the serene environment. Emphasis is placed on sustainable land use, for the benefit of all. This helps to ensure that construction projects make efficient use of the limited land as well as ensuring that the new, climate-sensitive building code is adhered to. In face of global biosecurity threats, Seychelles is actively monitoring and taking strategic measures to ensure such threats are mitigated.

**ANNEX 7**

Seychelles has experienced challenges leading up to the end state. For instance, rising sea levels, drought, storm surges, abnormally high temperatures, and regional conflicts. However, the country was able to adapt due to the numerous measures taken to ensure resilience in face of such climatic phenomenon and through socio economic transformation. Governance is at par with international norms and best democratic practices. People are indeed at the centre of development, allowing them to become the drivers of development. Society is peaceful and a sense of national pride, unity and solidarity prevails.

Science technology and innovative practices have been mainstreamed into daily life, acting as a catalyst for development. Jobs, income and investment opportunities are all indicating economic growth and improved performance. The nation remains a champion of climate-smart development, and a pioneer in environmental conservation, and a centre of expertise on the blue economy. Resilience has proven to be imperative if Seychelles is to thrive. This scenario thus depicts the success story of Seychelles. The country has been able to diversify and transform its economy and as well as its society, all while preparing itself for the realities of an uncertain future world affected by climate change and global tensions. Through well-coordinated implementation of strategies within each of the pillars of the NDS, Seychelles has achieved exemplary progress.





**National Planning Department**  
Ministry of Finance, National Planning & Trade  
Republic of Seychelles

P.O Box 313 • Liberty House • Victoria



**Seychelles National Development Strategy**  
**2024 - 2028**