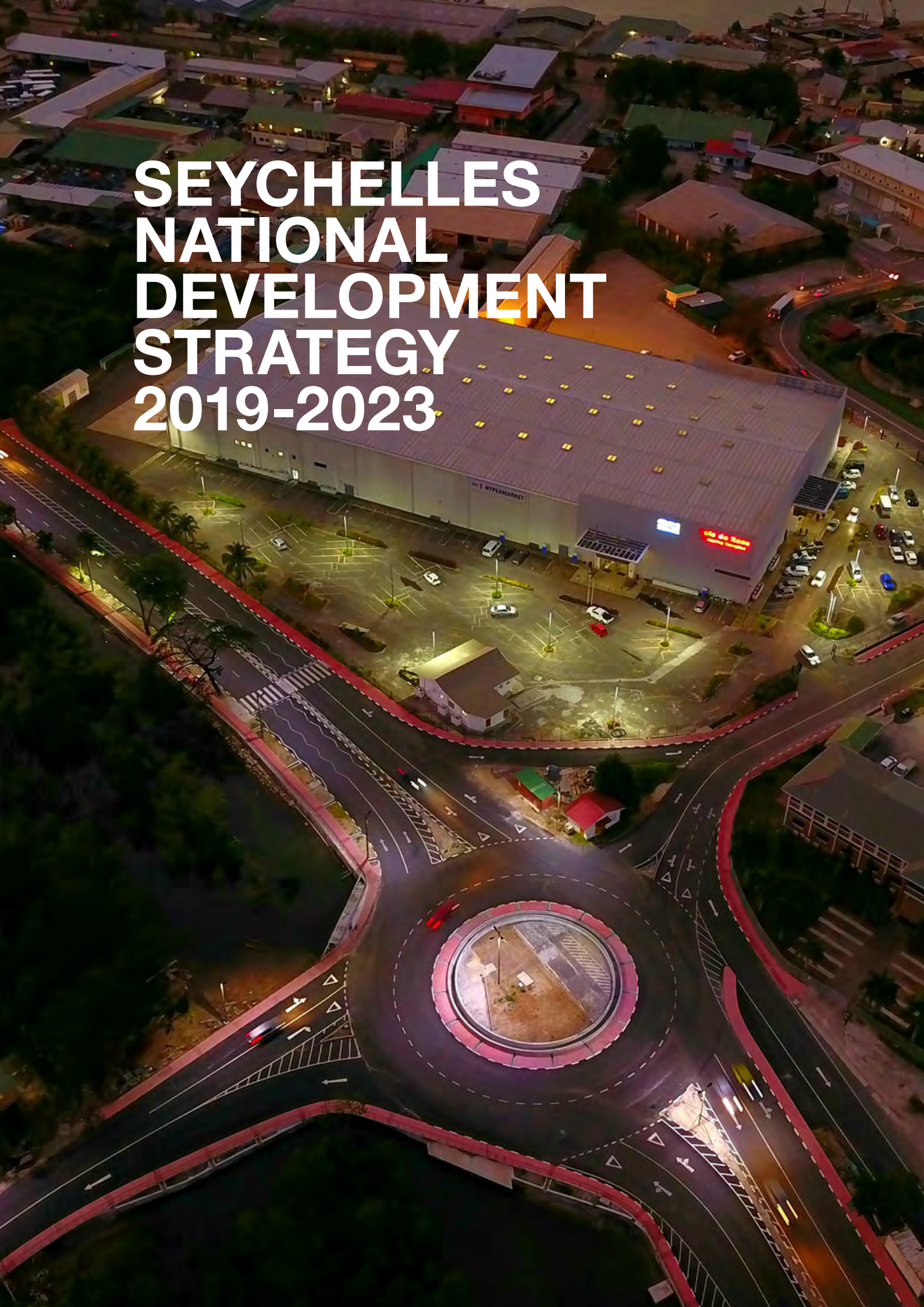


SEYCHELLES NATIONAL DEVELOPMENT STRATEGY 2019-2023





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MESSAGE FROM THE PRESIDENT



This document presents a strategy for the next 5 years that will help us realise the views, aspirations, dreams and hopes of our citizens. It articulates how those dreams and aspirations will be achieved. This particular document, NDS 2019-2023, is the first of three which will guide us through to 2033.

We have spent more than two years on the visioning exercise, giving ourselves the space and time to reflect on and imagine the kind of Seychelles we want for ourselves and our children in 2033. We held numerous consultations with a diverse cross-section of society. We met with students, the private sector, civil society, the elderly, and civil servants. We met with residents of Mahé, Praslin, and La Digue.

The NDS reflects the feedback received from extensive consultations. Perhaps the most recurring sentiment was the critical need to improve service delivery, in both public and private spheres, so that it is more efficient, better targeted, and more relevant to the increasing needs of our people.

The pace of change of technology, the disruption of innovation, and the changing natural environment make it imperative that our education system better prepares our youth for the future; that our health system gets each one of us more actively engaged in safeguarding our wellbeing; that our social protection systems better empowers us towards independence; that our regulatory procedures seek to reduce the compliance burden and facilitate growth; and so on. And all of this needs to be done with improved service delivery at its core.

In preparing the plans and collating the views of all the participants, we have given due consideration to challenges and opportunities that are arising from the effects of climate change on our island nation. Similarly, we have had to incorporate national commitments such as the United Nations Agenda 2030 and its Sustainable Development Goals, the Paris Declaration, the African Union's Agenda 2063, and others.

As we continue our steady progress and become ever more developed, the greater will be the need for our actions as a society to be well-planned and well-coordinated. A society behaving in a well-planned and well-coordinated manner allows for catalytic progress, allowing us to achieve more for our population in less time. Consequently, some of the plans laid out for this NDS cycle are not goals in themselves. Instead, they lay the foundations upon which the next NDS will build so that the appropriate 2033 goals can be achieved.

During the consultations, there was a close to unanimous wish for more discipline and responsibility in our society. A more disciplined and responsible student population, more disciplined and responsible parents, as well as a more disciplined and responsible Seychellois workforce.

Maintaining the focus on the six identified socio-economic pillars, the National Development Strategy presents indicators to help us track our progress during and after implementation.

We appreciate that the road ahead is not 100 per cent predictable. Our world is a dynamic one. Nevertheless, through extensive consultations, we have managed to set a course with a consensual set of desired outcomes.

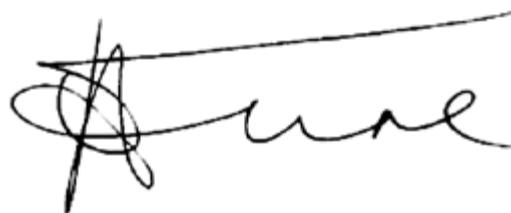
In addition to getting us towards our dreams and aspirations, the Strategy also guides us on measures to deal with the most critical, challenges facing our country today:

- Maintaining an atmosphere of peace and security, the cornerstone for an enabling environment for dialogue, consensus-building, sustainability of growth, development and prosperity.
- Continuous upgrading and provision of the necessary infrastructure for sustainable socio-economic development and progress.
- Transforming our education system to prepare a knowledgeable, skilled, responsible and capable Seychellois workforce in light of technological advances, innovations and the resultant demands of the labor market and our economy.
- Embracing science, technology and innovation as a cross-sectoral means to achieve multiple objectives and outcomes including better delivery of services for our citizens.
- Intensifying our fight against the scourge of substance abuse and related social-ills plaguing our peaceful existence.
- Mitigating and adapting to the threats caused by climate change.
- Realizing our potential as a large oceanic state as well as finding solutions of the global threats to oceans.
- Ensuring that Seychelles remains a champion in the regional and global arena when considering its commendable reputation for sustainable environmental management and conservation efforts.
- Increasing our economic resilience and maintaining macroeconomic stability.

We are a diverse but harmonious family of less than 100,000. We are custodians of one of the most beautiful countries on Earth. Our unity in our diversity is our greatest strength, and is what distinguishes us as a shining example across an increasingly divided global arena.

May we continue to be positive, open-minded and be guided by the positive forces of our universe. May our love for our beautiful country continue to fill our patriotic hearts. And may harmony and peace reign supreme as fundamental foundations of a more resilient, principled and prosperous Seychelles.

Danny Faure, President of the Republic of Seychelles
Prezidan Larepublik Sesel

A handwritten signature in black ink, appearing to read 'Danny Faure', with a long horizontal line extending from the end of the signature.

MESSAGE FROM THE MINISTER OF FINANCE, TRADE, INVESTMENT AND ECONOMIC PLANNING



The Ministry of Finance, Trade, Investment and Economic Planning is mandated, among other deliverables, to coordinate the formulation, implementation and monitoring of the national economic development planning process. Following the successful economic reforms that averted a financial and socioeconomic catastrophe in 2008–2009, the Republic of Seychelles found itself at a crossroads.

The important task to coordinate the consultations as well as seek the views and aspirations of the people was entrusted to the Department of Economic Planning. After taking stock of the political, social and economic situation of the Republic of Seychelles in 2017-2018 and receiving counsel from credible partners, the option for a 15-year Vision exercise buttressed by a sequence of three consecutive five-year National Development Strategies was adopted and approved as a way forward by the Cabinet of Ministers.

The Visioning exercise took somewhat longer than initially planned. This is because the consultations and dialogue were intense and characterised by a desire to be as inclusive as possible. While a National Working Group, made up of experienced and eminent Seychellois, guided the process and the drafting of feedback from the consultations, a team of young economists in the Department also provided technical assistance and experts from organisations such as the United Nations Development Programme (UNDP) and the World Bank’s Advisory Services and Analytics assisted with capacity building.

Together, their joint efforts filtered the dreams and aspirations of Vision 2033 into a prioritised and implementable National Development Strategy focused on affordability, results-delivery and robust monitoring of Key Performance Indicators (KPIs). Further, following successful pilot phases, the rollout and application of Programme Performance Based Budgeting (PPBB) across all ministries is particularly timely. It sets the stage and provides the basis and incentives for future public sector institutions that are focused on efficient service delivery, and judicious management and use of allocated budgets.

This **National Development Strategy (NDS) 2019-2023** comes at a crucial juncture in our determined efforts to realise sustainable, accountable and transparent economic development objectives within a framework of good governance practices. It seeks to consolidate the gains of the past decades, take stock and mitigate the adverse effects of emerging challenges while fortifying resilience and inclusion. It is also cognisant of, and encourages stakeholders to seize, emerging opportunities, for example, through entrepreneurship opportunities in connection with the blue economy and the many other lucrative sectors that are viable for our economy.

The strategy supports a shift in focus towards strategically building our human capital in general and improving opportunities for the poorest 40 percent of the population to enable them to participate in new and expanding economic sectors.

It also seeks to further increase efficiency in public finance allocation and management as well as improve existing regulatory capacities to improve the ease of doing business, fortify our border security and create the enabling environment for the proliferation of the private sector. In this light, no effort will be spared in the establishment of solid foundations and frameworks for greater transparency, accountability and good governance.

The judicious implementation of the National Development Strategy 2019-2023 will also further leverage Seychelles’ strong record of economic reform and leadership among small island nations. Of late, many of these nations, including the Seychelles, have come to realise the importance of judicious and sustainable custodianship of the vast ocean territories within our respective Exclusive Economic Zones (EEZ). In the case of Seychelles, our EEZ is 1.4 million square kilometres, which is almost three times the land mass of France.

It is therefore not surprising that Seychelles and Mauritius are the first two 'Large Ocean Island Nation States' to have successfully presented their proposal for the joint management of a demarcated area in the Indian Ocean (the Mascarene Plateau), to the United Nations. Furthermore, the Republic of Seychelles is the very first country to initiate the innovative "Blue Bond", which opens a new avenue for island nations to realise sustainable blue economy objectives.

To anchor its stewardship and current pole position at the forefront of the region's environmental conservation efforts and promote its sustainable blue economy concept, Maritime Spatial Planning (MSP) for the Seychelles is currently at an advanced stage and it is hoped that 30 per cent of our EEZ will be designated as marine protected areas. This sovereign act will provide a boost to Seychelles and give even more recognition to its blue economy strategy with its great potential for the country's sustainable economic development in the future.

The ambitions of the 'Large Ocean Island Nation States' to realise the aforementioned opportunities do not in any way take precedence over Seychelles' existing commitments to address our current critical socioeconomic challenges.

They include the need:

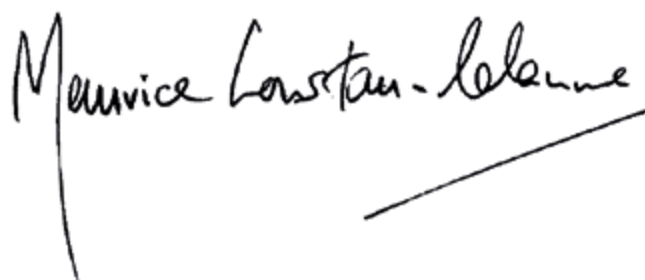
- to maintain and improve upon the socio-political environment for dialogue and constructive engagement between different stakeholders to build consensus,
- to contain inflation and reduce the cost of living,
- to substantially improve our education and health standards,
- to substantially abate the increasing trend of substance abuse (drugs and alcohol),
- to address the imbalanced demand and supply for decent, affordable housing,
- to provide and improve critical infrastructure for economic development,
- to bridge the widening income inequality gap and lift the 40 percent of the population living below the poverty line to or above the identified income threshold through programmes that develop skillsets for remunerable employment,
- to facilitate the private sector's role as the 'engine of growth' for the economy,
- to ensure that the country's socioeconomic achievements are sustained and delivered with greater efficiency and accuracy through the refinements of quality data collection, processing and analysis for the monitoring and evaluation of progress towards the Sustainable Development Goals (SDGs),
- to maintain macroeconomic credibility and stability for greater shared prosperity

These are but a few of the pertinent national issues that remain the central focus and an integral part of the NDS 2019-2023.

Allow me, at this juncture, to thank all stakeholders who have in one way or another contributed to the formulation of both the Vision 2033 and the NDS 2019-2023 documents. Your invaluable inputs and observations cannot be overstated. The most appreciable and critical aspect of the level and quality of the conversations was the spirit and will to move towards consensus that prevailed in all fora. The fruit of all the hard work invested is now in our hands.

It is with immense pleasure that, on behalf of the Department of Economic Planning, I have the great honour and privilege to deliver this important economic strategy for us all to familiarise ourselves with and partake in the national growth and sustainable development of our beloved country.

Maurice Jean Leonard Loustau-Lalanne

A handwritten signature in black ink, reading "Maurice Loustau-Lalanne". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.



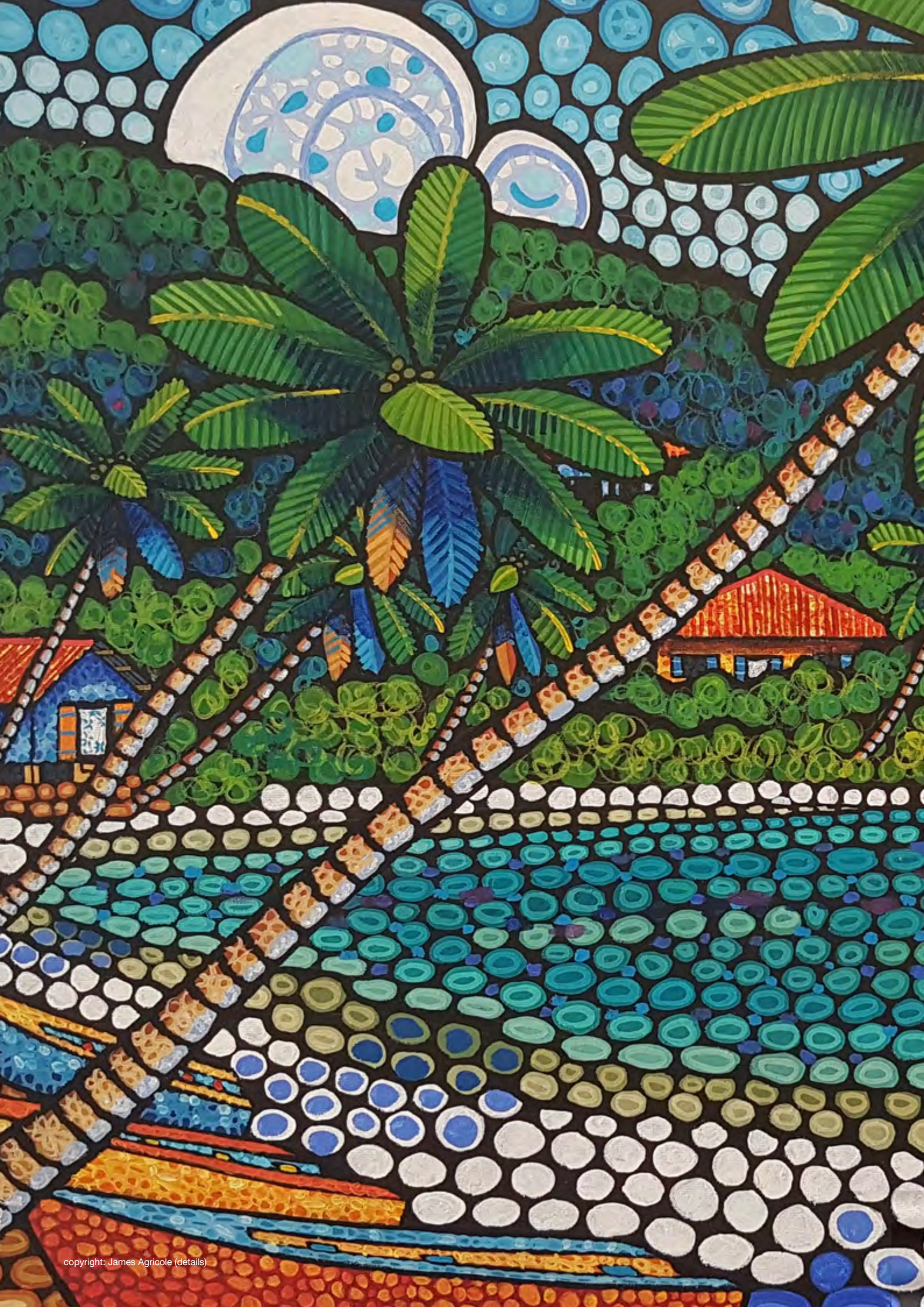
The Ministry of Finance, Trade, Investment and Economic Planning is grateful to the officers of Government Ministries, Departments and Agencies for their very valuable assistance in the preparation process by providing helpful guidance and pertinent information; the private sector and the non governmental organizations.

We would also like to thank the President of the Republic, Mr. Danny Faure, for his overall guidance and active engagement in this exercise.

The Plan benefitted immensely from the advice and guidance of the Technical Working Group. We thank too, Mr. Peter Wilson, Mr. Jacob Adesida and Mr. Peter Sinon, consultants to the Planning team, for their invaluable input.

To anyone else who contributed in any way, we thank you sincerely for your input. The various development partners namely UNDP and the World Bank for their partnership in the process and for peer reviewing the document.

Finally, the Ministry expresses appreciation to the staff of the Department of Economic Planning for their tireless dedication to the drafting of the National Strategic Plan. Thank you for staying the course and persevering to the end.



CHAPTER 1: INTRODUCTION

Any vision should be a picture of the future which creates passion. Following nation-wide consultation, a consensual, long-term national vision emerged as “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 vision spans over a fifteen-year period, echoing the prolonged desire to see continuous progress and sustainable development. Vision 2033 provides the high-level direction for the future of the Seychellois people.

The theme adopted for Vision 2033 is ‘Towards a sustainable and inclusive future’ and this will be rolled out through the implementation of a series of three five-year National Development Strategies (NDS), beginning with the first NDS for 2019-2023. The Vision will act as the compass that sets the clear and decisive direction for our desired destination and the three NDS’s will be the vehicles on which the nation will embark to undertake the journey to the year 2033.

NDS 2019-2023 presents a unique opportunity to kick-start the transformation of Seychelles. Based on the six pillars of the NDS, we can plan and prioritise key areas of focus within each of the pillars. This will allow us to ensure resources for these focus areas are allocated appropriately in the national budget process, as well as providing a guiding light for the mobilisation of resources in collaboration with our development partners, both domestic and foreign.

The pillars touch all walks of Seychellois society. The everyday citizen, the businesswoman, the young professional and the retired individual are all targeted by its goals and strategies, thus ensuring a multifaceted approach to the development of our nation. Each of the goals requires a set of specific strategies for successful attainment.

Good governance, transparency, and accountability will set the scene for a society in which all stakeholders feel included and protected from harm. Moreover, it will give added credibility to government and therefore create confidence in the business and investment climate.

People at the centre of development captures two key elements, namely participation and inclusivity. It also recognises that development outcomes need to focus on people’s experiences: a long and healthy life; quality education; decent work and an acceptable standard of living.

Social cohesion ensures peace harmony and unity. Seychellois must endeavour to become united as one people. Diverging opinions must be understood, tolerated and accepted as part of daily life. The emphasis must be on finding common ground, building strong community ties and working towards spiritual wellbeing.

Having an Innovative Economy, underpinned by advances in science, technology and innovation for development is a compulsory catalyst for national development. It will serve as a platform for linking the relevant implementing bodies. Implications for e-commerce and e-government are major considerations going forward. We live in the digital age and we can expect this to further develop in terms of sophistication. A successful Seychelles must, by its very nature, be a connected, digitalised Seychelles, embracing the fourth industrial revolution.

Economic transformation will bring about a rise in our standard of living. We look to our large ocean economy as one of the main drivers of growth and development. Tourism, fisheries, mariculture, energy generation and resource extraction are just some of the key areas of interest and focus going forward.

Environment sustainability and resilience ensure that in all aspects of development, the integrity of the natural environment is considered carefully. Our unique biodiversity and ecosystems serve as the basis for the tourism industry and sustainable development as a whole. In the short, medium and long term, the right balance needs to be struck when considering development pathways. They must be sustainable, climate-smart and reasonably “green”.

NDS 2019-2023 identifies Seychelles' most critical development priorities and highlights what needs to be done to overcome these. These can be addressed through “the 3 Ps”: Productivity, Participation, and Performance. Productivity focuses on how Seychelles could benefit from placing more emphasis on boosting the efficiency with which it uses its existing resources – that is, by achieving more productivity-led growth. Participation refers to how the Seychelles' education system needs to equip graduates with the tools they need to reap the benefits of the growing opportunities offered by the country's increasingly sophisticated economy. It also addresses the fact that social spending needs to be better targeted to shore up its sustainability, boost its impact for protecting the vulnerable, and empower Seychellois to get high quality jobs. Finally, Performance requires a public sector that is efficient enough to deliver high quality public services, agile enough to respond to and anticipate emerging priorities, and small enough not to divert scarce financial and human resources away from the private sector, which is responsible for generating the bulk of employment and income.

The NDS adopts a scenario-planning approach to promote systemic thinking about the past, present and the future in order to set the goals, develop the strategies and put in place the systems for ongoing review. Adopting scenarios is particularly important, as the NDS is mandated to make choices about the future, which by its nature is largely unknowable. Scenarios allow one to envision multiple futures—bad and good—to be better prepared to create the desired future.

Four scenarios were developed for the NDS (Annex 2). The full scenarios are presented in the annex. They were constructed in a series of workshops and in a process that involved identification, exploration and SWOT analyses, main trends of the future, future bearing events, key predetermined elements, the main actors and their roles, as well as the critical uncertainties that are expected to drive the future of Seychelles in one direction or the other.

The four scenarios were developed and elaborated using two qualitative parameters; i.e. the resilience to climate change and other external factors and ii. socio-economic transformation. The two scenarios which represent non-resilience are labelled as 'Time-Bomb' and 'Exodus', while the 'Garden of Eden' and 'Status Quo' scenarios demonstrate resilience. From a socio-economic transformation perspective, the 'Time Bomb' and 'Garden of Eden' scenarios are transformational, while the 'Exodus' and 'Status Quo' scenarios reflect an economic contraction and a non-transformational future respectively.

The worse-case scenario is the 'Exodus' scenario that should be avoided at all costs. Its end-result is a basket case economy and failed state that has lost most of its invaluable human capital due to emigration for better economic opportunities. Alternatively, the collective aspirations and determination of a people who have dared to dream and translate their dreams to reality for the betterment of their lives and for generations to come is to be found in the most desirable outcome, which is the 'Garden of Eden' scenario.

For successful implementation of the NDS, we must ensure we build the right institutional framework and coordination mechanisms. Working in silos will not allow for smooth development. A unified, whole-of-government approach guarantees effective coordination for successful realisation of the desired vision.

1.1 SEYCHELLES CONTEXT AND HISTORICAL DEVELOPMENT

Seychelles, a small island nation of about 115 tropical islands (both granitic and coralline) with a population of approximately 95,000 people of mixed heritage, is located in the Indian Ocean northeast of Madagascar and about 1,600 km east of Kenya. The country is widely known to being a large ocean state with an Exclusive Economic Zone (EEZ) of approximately 1.4 million km² and a total landmass of approximately 459km².

The Seychellois nation is a colourful and harmonious blend of different races, stemming from African, European and Asian roots, all of whom have brought something of their own customs and way of life to the islands, resulting in a unique Seychellois culture enriched from the melting pot of many countries. The first recorded settlement was in 1770.

On 29th June 1976, Seychelles gained its independence after many years of colonialism under British administration, and prior to that was governed by the French. From 1977, Seychelles was governed through a one-party system for fifteen years. This regime gave way to a pluralist democratic system that was adopted through the adoption of the Constitution of the Third Republic in 1993.

In September 2016, for the first time since the return of multiparty politics, the ruling party failed to secure a majority in the legislative elections, despite being victorious in the presidential election in early 2016. A coalition of the four main opposition parties named the “Linyon Demokratik Seselwa” (Seychellois Democratic Union) won a majority in the National Assembly, propelling the country for the first time into what was termed a “cohabitation” of political powers.

Thus, the Republic of Seychelles has passed through a series of political configurations namely, a coalition government, a one-party state, reintroduction of multiparty politics and, most recently, a cohabitation of political parties. It can be said that the majority of Seychellois are in general agreement on the wisdom of having an inclusive development model that promotes the wellbeing of all and gives the country the best chance for progress in a world full of challenges and uncertainties.

Economic growth performance has been strong both over the long term and in recent years, and employment rates are high. However, structural diversity in Seychelles’ economy has been limited. Reliance on the plantation-based activities of the colonial period (copra, cinnamon and other spices) has long (since the inauguration of the first international airport in 1971) faded into relative unimportance, and now only generates about two percent of Gross Domestic Product (GDP).

Since the 1970s, Seychelles’ economy evolved increasingly to benefit from its rich environmental endowment in a different way, by growing its tourism sector, which accounts directly for about a quarter of both GDP and employment. Seychelles has developed a strong tourism brand that places the country at the high end of the global tourism market. The tourism sector has continued to buoy up the Seychelles’ economy; the number of visitors rose by three percent in 2018 to reach a record high of 361,844.

In the early 1990s, Seychelles experienced major expansions in its key economic sectors, namely tourism and fisheries, while attempts were also made to develop the financial services sector as the third pillar of the economy. However, this sector proved difficult to develop in a period where Offshore Financial Centres (OFCs) were being scrutinised heavily and negatively labelled as “tax havens”.

In view of such difficulties, financial regulators in the Seychelles such as the Central Bank of Seychelles (CBS) and the Financial Services Authority (FSA) have in recent years made significant progress towards keeping the jurisdiction credible and compliant with international financial reporting standards. This has necessitated a shift in the traditional offshore business model and products of the financial services sector, paving the way to more innovative diversification avenues.

With an underlying economic model characterised by extensive state intervention and a generous social welfare system, Seychelles accumulated debt over the post-independence years that eventually became unsustainable and left the country extremely vulnerable to external shocks. The global economic crisis of 2008 exacerbated the impact of the domestic economic downturn. Eventually, with its foreign exchange reserves all but depleted, the country defaulted on its Eurobond obligations.

The government responded to the 2008 crisis by embarking on a comprehensive programme of economic policy and institutional reforms with the support of our development partners. The reform measures re-established macroeconomic stability and allowed economic performance to recover, beginning in 2009. The reforms necessitated a move towards a more open market economic policy and some adjustments to the social welfare system.

The extensive communication by the authorities that informed the public on the aims and expected results of the economic reforms and sacrifices that were necessary to achieve them, was an approach that assured their effectiveness and efficiency as well as the peaceful implementation of the programme. The reforms were highly successful at getting the country back on track towards shared prosperity. Macroeconomic conditions stabilised rapidly and economic growth resumed, despite the challenging, post-crisis, global economic backdrop. Beyond the expectations of all stakeholders, the partnership with the IMF and other multilateral financial institutions, on the macroeconomic reforms saw Seychelles recover from the economic crisis in a record time of three years – a much acclaimed success story.

1.2 NATIONAL DEVELOPMENT OF SEYCHELLES: CHARACTERISATION, DYNAMICS AND MAIN CHALLENGES

Since 2015, Seychelles has been classified as a high-income economy with a per capita Gross National Income (GNI) of US\$14,760. Seychelles has done well in terms of increasing GDP, achieving the MDGs, promoting unity, upholding its unique Creole culture and ensuring a democratic society with peaceful change of power, while being environmentally conscious. To bolster environmental sustainability, the government has embraced the blue economy concept as an organising principle to drive growth further, while not only preserving but also building the country's natural endowments.

For all things to fall in place, good governance is key to ensuring transparency and accountability while improving the efficiency of the public sector. Regulatory, policy and institutional frameworks must be reviewed and updated to reflect what we collectively hope to achieve in 15 years. The need to strengthen institutions, build and improve skills of the workforce, reduce dependency on welfare, improve the quality of education in all aspects of life, deliver better health services, strengthen efforts for greater social cohesion, and reduce income inequality is fundamentally what we hope to accomplish in Vision 2033.

Moreover, public sector efficiency is critical both to the productivity agenda and to the state performance agenda. Therefore, an articulated and realistic National Development Strategy will help set priorities that guide the allocation of budgetary resources, policy decisions and institutional improvements. This should include a sharp prioritisation of public investment. The country needs a robust monitoring and evaluation system to track progress on programme implementation and the impact of the efforts. The supporting statistical system needs an overhaul and can benefit from the use of more modern techniques to produce sound, timely information. State agencies can be expected to provide a large share of the needed information, and efforts need to be consolidated to integrate and modernise the information base for the state and the country at large.

Seychelles has been fortunate in that it has not been exposed to the sharp environmental shocks that have beset many other small island states. The economy of Seychelles is primarily services-oriented, led in recent years by information and communications technology (ICT), tourism, fisheries and real estate activities. With limited scope for diversification, there is a need to transform the economy by significantly increasing the value-added contributions of each sector. For example, currently, the value chains in the artisanal fisheries sector are mostly underdeveloped and involve minimal handling, processing and marketing. Production in the industrial fisheries sector is dominated by canned tuna (approximately 90 percent by volume), a low-value product processed in a free-trade zone.

Despite the intrinsic challenges that come with being a small, relatively isolated island nation, Seychelles has already achieved a remarkable level of economic development. In considering the prospects for Seychelles, therefore, the salient comparators are nearby island states with relevant similarities (for example, Mauritius which is an upper middle-income economy with a population of 1.3 million and historical links to Seychelles and Maldives, with its high-end tourism) and other states around the world that have managed to achieve even higher GDP per capita income levels despite their size: such as Bermuda (US\$ 66,670) and Iceland (US\$ 46,500)¹.

Rapid economic growth since the 2008-2009 crisis and subsequent recovery has propelled Seychelles to high-income status, but this has been accompanied by continuing vulnerabilities, and some new, growing concerns. The need to secure the sustainability of the fiscal and the macroeconomic accounts remains paramount in view of continuing pressures on, and risks to, public expenditure. A growing source of macro prudential risk is Seychelles' offshore corporate sector, potentially affecting the banking system where further progress on anti-money laundering (AML) regulation and enforcement is needed.

¹ Figures for rankings are GNI per capita converted at PPP rates to international dollars (World Development Indicators, 2015).

A resilient macroeconomic framework provides the foundation for productivity, participation, and performance. Past cycles and fluctuations in economic activity have resulted in part from the lack of a consistent institutional framework for macroeconomic management. Since 2009, Seychelles has made significant progress in building such an institutional framework.

A system of continuous monitoring and evaluation, including involving the population as active participants, is needed to guide analysis and policy. This is particularly necessary as Seychelles continues to base its prosperity on its environmental endowments, especially when it comes to marine resources, which are under extreme stress globally. In addition, more information is needed regarding Seychelles' additional factors of production. An integrated view of labour allocation, migration, and skills development can help meet the challenges of sustaining rapid productivity growth and avoiding bottlenecks due to skills shortages, while ensuring that Seychellois participate directly in emerging opportunities.

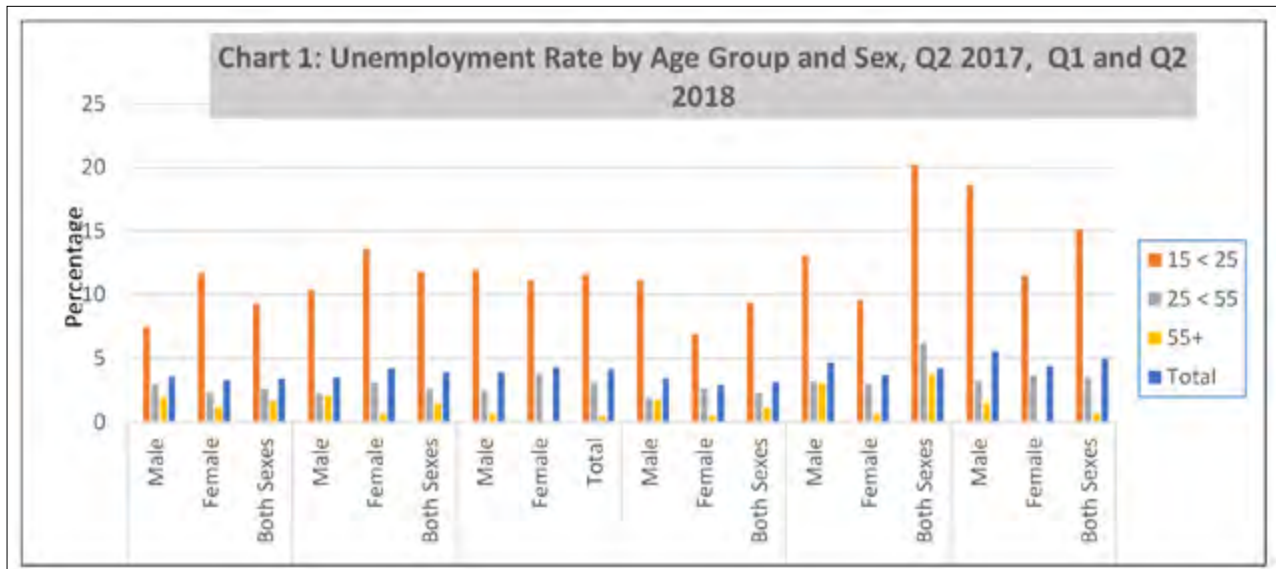
Education, employment and healthcare

Productivity, participation and performance are the major challenges for Seychelles. The challenges of providing a solid education for all, strengthening skills, reforming the social protection system, addressing current constraints to accessing high-quality jobs and securing the sustainability of health services remain pressing.

In Seychelles, there is universal access to education: pre-primary, primary and secondary, with boys and girls enrolling at the appropriate age. Seychelles has also seen success in the provision of tertiary education for selected priority areas. However, the opening and widening of opportunities in a higher-productivity economy could leave the local population behind if they do not have the appropriate education and skills required to participate. For education to contribute the most to the productivity and participation agendas, it is important to broaden the presence of highly-educated and skilled members of future generations.

The quarterly unemployment rate for 2018 was as follows: 4.2 percent in Quarter 1; 5 percent in Quarter 2; 35 percent in Quarter 3 and 2.1% in Quarter 4. The unemployment rate is higher among the youth group (15-24 years) with a recorded rate of 6.5 percent in 2018 Q4. Rising demand for labour renewed applications for Gainful Occupational Permits (GOPs), which rose to approximately 22,997 in mid-February 2019. Expatriates now account for almost half of the Seychelles' total workforce in formal employment, and are employed mostly in construction and tourism².

² State of the Nation Address 2019.



Seychelles' life expectancy of 74.3 years is relatively high compared to other countries in the region but still lags behind its income-level peers, mostly because of the wide life expectancy gap between women and men. Seychelles has an ageing population, mainly due to increased life expectancy and a low and declining birth rate. Nevertheless, the projected population is expected to increase slightly over the next 25 years. It is expected that there will be a higher burden on government expenditure in terms of pensions and social welfare expenditure, higher migration levels and greater automation processes to support the ageing population and compensate for the reduced labour force participation rate. The projected population composition for the age group of 15 and below is expected to decline while the age group of 65 and above is expected to double by 2040.

The state provides free primary and universal access to healthcare with a focus on improving service delivery and quality of care. Over the years, Seychelles has developed a robust primary care system. However, various challenges remain. The disease burden is now dominated by cardiovascular, respiratory and other Non-Communicable Diseases (NCDs) due to unhealthy lifestyles (smoking, poor diet, physical inactivity, substance abuse and increasing alcohol consumption) as well as ageing. These require better preventative management of NCD risk factors and provision of chronic and long-term care. There has also been a rise in HIV and hepatitis C cases as a result of intravenous drug use.

Figure 1

Projected population ('000) ⁽¹⁾	2025	2030	2035	2040
Male	50.8	52.9	53.3	53.4
Female	49.2	51.9	53	54.1
Total	100.0	104.8	106.3	107.5
Projected Population Age composition (%)				
Under 15 years	21.3	19.4	18.0	17.8
(15-44) years	41.4	42.7	42.8	41.7
(45-64) years	27.1	28.7	28.8	28.5
65 years and over	10.2	14.0	16.7	19.4

Source: National Bureau of Statistics
⁽¹⁾ Based on 2010 Census results, Population Projections report 2014-2080

Source: World Bank

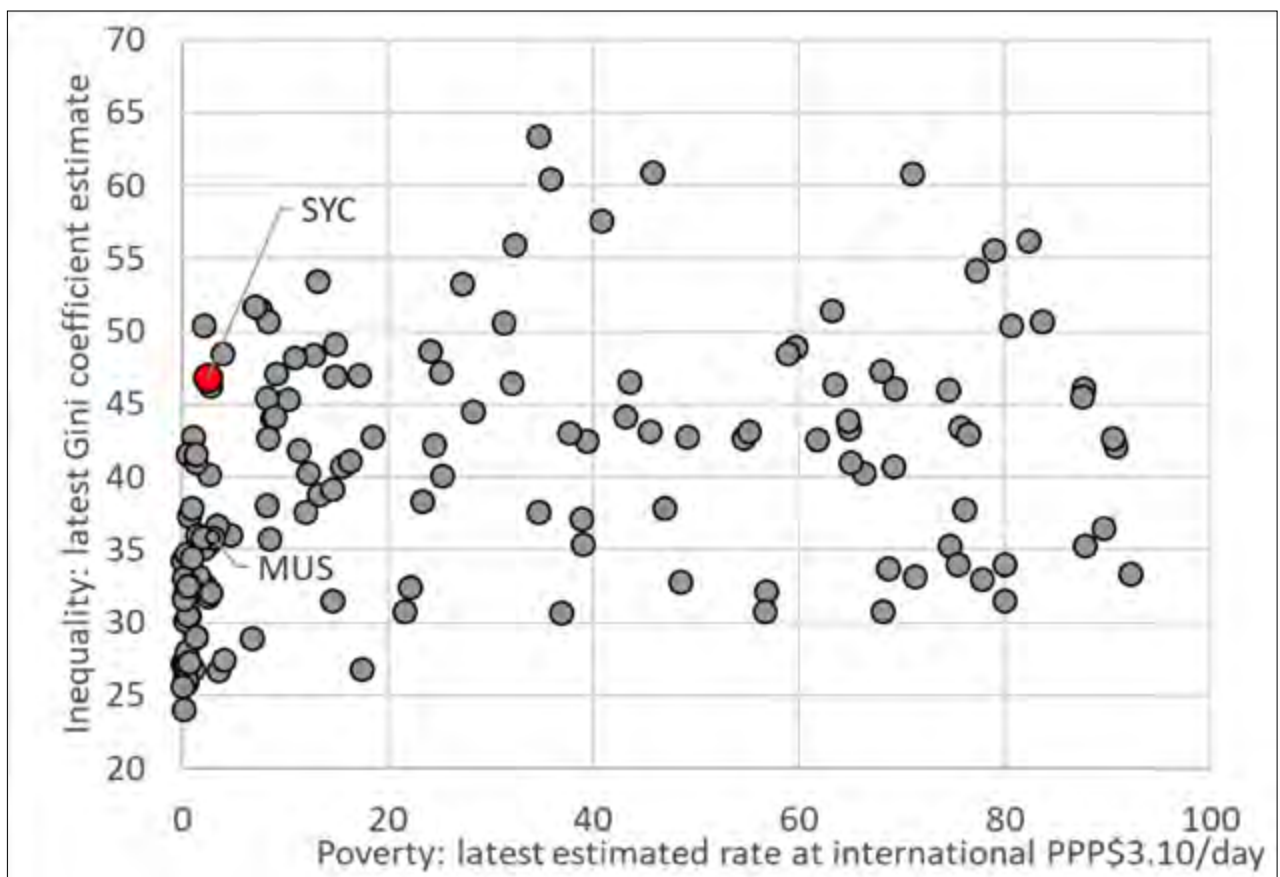
Seychelles achieved 7 out of the 8 Millennium Development Goals (MDGs). For example, in access to education and health services, Seychelles has already achieved near 100 percent enrolment of both girls and boys in primary schools. There is almost universal access to safe drinking water, sanitation and housing; the country also has a high literacy rate of 97 percent, significantly low infant mortality and high life expectancy at birth. Environmental protection was already a continuing flagship for Seychelles as the island nation's oceanic resources are considered vital for the development of its fisheries and tourism industries, as well as in facilitating trade.

Tackling poverty

Absolute poverty levels in Seychelles are low, but inequality between rich and poor is significant. A segment of the population is therefore at risk of falling behind. The current social protection system, although it reduces poverty, is not positioned to counter growing pressures on equity and social cohesion. Spending on social transfers is already at comparatively high levels, and is heavily concentrated on older persons through the universal old age pension.

The Seychelles also has a generous, broad-based transfer programme which has helped eliminate some of the worst external manifestations of poverty. By international norms, Seychelles has eradicated absolute poverty (individuals living on an income of under \$1.90 per day). However, the last household budget survey conducted in 2013 highlighted a poverty rate of 39.3%, based on the national poverty line. Following this, the government is also committed to eradicating poverty in all its dimensions, and not focusing solely on income as a poverty measure. In 2013, the distribution of wealth was highly unequal and the Gini Coefficient of inequality was estimated to be a high 0.47 compared with Mauritius at 0.39.

Poverty is low by international standards but inequality is substantial



Source: Seychelles Systematic Country Diagnostic, World Bank Group

The need to orient policy and implementation to bolster inclusion is pressing with the persistent inequality of income pointing to constraints in accessing economic opportunities. These constraints could well intensify as the economy develops further and demands higher and more specialised skills. If not addressed, the constraints could cause increasing pressure on state spending and become a source of social tension.

It is paramount to meet the participation challenge by taking a more strategic and sustainable approach to social protection. This would firstly require some resources currently focused on older persons to be realigned towards mothers and children to prevent inter-generational poverty. It is also important that the current criteria for eligibility for social assistance is revised so that those in need are covered while they are provided pathways and opportunities to lead themselves and their families away from dependence on social assistance. Moreover, administrative support for the management of social assistance can be made more efficient by introducing modern information management tools and integrating datasets to related activities. Lastly, programmes for older persons should focus on promoting active and healthy ageing, favour independent living and community integration and, where specific interventions are needed, these should be streamlined and targeted to be more effective.

Growing the private sector

In terms of ICT rankings, Seychelles is generally performing well. ICT is a small but established sector, and there is considerable scope to develop it further. Seychelles' relative isolation could perhaps be turned into an advantage by offshore data centres and ICT service providers. Work on a second submarine cable is underway; such a cable would supply the necessary redundancy in international connectivity for this sector to grow.

More generally, further ICT development – which has been substantial but not yet truly “transformative” for Seychelles – could play a major role in reducing business costs, supporting government efficiency – particularly by greatly increasing the level of output from the public sector from the existing public servants. Public sector modernisation through the provision of e-government services to citizens and businesses, already underway, could be strengthened by addressing gaps and investing in continued reforms.

There is also a need to incentivise private sector business to expand and grow sustainably in an enabling environment facilitated by the government. In transforming the economy, the blue economy can be a tool of great importance for development. The blue economy is seen as the nation's development potential through a knowledge-led approach with innovation at its heart, all the while being mindful of the importance of environmental conservation for present and future generations. As a small island state committed to the blue economy concept and the delivery of the UN's 2030 Agenda for Sustainable Development, the government of Seychelles recognises the importance of the principles of “inclusive development with opportunities for all” and “leaving no one behind”.

Management of natural resources

A further source of opportunities for Seychelles arises from its strategic location in the western Indian Ocean. This is well aligned with the emerging global focus on sustainable use and management of ocean resources. The country already has a successful oil bunkering industry, which benefits from the country's location on major shipping routes, and Seychelles could play more of a role in providing services for international transport. In the port, a quay extension and airport expansion will be essential components of an improved national infrastructure to ensure the future growth and stability of the economy.

Seychelles has considerable opportunities to continue climbing the income ladder, especially given its rich natural biodiversity, which is of global significance. Seychelles has built a powerful brand linked to the abundance and beauty of its natural environment and resources, including its tropical islands, beaches and the ocean. With its EEZ ranking 71st out of 221 countries on the Ocean Health Index, the country supports some of the world's most pristine, diverse and productive marine ecosystems, through their full extent and condition are yet to be fully explored.

Coral reefs encircle and protect most of Seychelles' 115 islands. Large seagrass beds on the surrounding plateaus are an important nursery for reef fish, invertebrates, sea turtles, and manatees. Fishing grounds are abundant and home to a wide variety of species. The opportunity is ripe for Seychelles to consolidate its regional, and even global, leadership status in the management and sustainable use of these resources. Government is aware of this opportunity and is moving ahead with its ambitious blue economy agenda. A national Blue Economy Roadmap has been developed and is in line with the UN Sustainable Development Goal 14: *Conserve and sustainability use the oceans, seas and marine resources for sustainable development*.

The use of renewable energy can bring about a positive impact in the development of the country and economic diversification by being efficient, environmentally friendly and creating employment opportunities as well as improving our energy security. Much needs to be done to ensure that the country robustly mitigates the impact of climate change but also finds innovative ways to adapt to the changes when they inevitably arise. Our rich and unique biodiversity is what makes Seychelles a paradise for living, doing business in, as well as visiting.

Predetermined elements

Seychelles enters the national planning process with sound knowledge that we face some predetermined elements which, by definition, are out of our control and are for the most part, fixed. Predetermined elements are relatively stable or predictable. It is given that they will play out in the future, though how they interact with and impact other variables remains uncertain.

- Population size is perhaps the main predetermined element. With a population estimated at 95,000 (including foreign workers), Seychelles must keep in mind that a limited population can be both a strength and a weakness going forward. With the right policies and strategies, Seychelles can circumvent some of the drawbacks related to having a relatively small population. By the year 2030, Seychelles expects to have a population of approximately 104,000, increasing to just over 106,000 by the year 2035. Population size can, of course, be influenced by migration, both inward and outward, which will also influence the mix of people who are resident on the islands.

- The size of the country's land mass poses the issue of limited land space for development. The nation is an archipelago of 115 tropical islands, some composed of granite and the rest of coral. The majority of the islands are small and uninhabited. The total landmass is only 459 km², but the islands are spread over an Exclusive Economic Zone (EEZ) of 1,374,000 km². About 90 percent of the total population of 95,000 live on Mahé, and nine percent on Praslin and La Digue. The island of Mahé makes up around a third of the total land area, and another third of the landmass is the protected and largely uninhabited atoll of Aldabra. Seychelles should therefore focus its efforts for economic growth on sectors which do not require large expanses of land for inception and development, and on the riches of the vast ocean in our EEZ. Moreover, there have been successful land reclamation efforts, but going forward there remains the need to balance these with environmental factors

• Seychelles has engaged in international commitments with its development partners, both bilateral and unilateral. These agreements call on Seychelles, as a signatory country, to implement certain actions and policy directives in specific fields of interest, to be in line with international standards and best practices.

(i) One of the most notable commitments was to the 2030 Agenda for Sustainable Development. This is founded on 17 Sustainable Development Goals (SDGs). The SDGs (or Global Goals for Sustainable Development) are a collection of 17 global goals set by the United Nations in 2015. The goals are broad and interdependent, yet each has a separate list of targets to achieve. Achieving all 169 targets would signal the accomplishment of all 17 goals. The SDGs cover social and economic 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 over the next 50 years. It builds on, 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, follows a bottom-up approach and is result-oriented. Goals, targets and strategies have been set in each aspirational area for the national, regional and continental stakeholders and levels. The targets will form the basis for holding stakeholders accountable for performance.

1.3 TRENDS

Demography and migration

The current global population of 7.3 billion is expected to reach 8.5 billion by 2030; 9.7 billion in 2050 and 11.2 billion in 2100, according to the UN. Most of the projected increase in the world's population can be attributed to a short list of high-fertility countries, mainly in Africa, or countries with already large populations. During 2015-2050, half of the world's population growth is expected to be concentrated in Africa and Asia. With the highest rate of population growth, Africa is expected to account for more than half of the world's population growth between 2015 and 2050. As a small island developing state (SIDS), Seychelles is expected to face an increasingly ageing population over the coming years. Official estimates project the population of Seychelles will be 104,289 by the year 2030³.

Migration is perhaps the most difficult variable to make assumptions on regarding its future course. This is because migration flows often result from short term changes in economic, social or political factors that are hard to predict or quantify. Nonetheless, its impact on population structure and trends is also a major issue, as it affects population growth, age and sex structures and related dependency ratio. Globally, the refugee crisis in Europe saw increasing numbers of people fleeing hardship such as war, famine and ethnic persecution. In the case of Seychelles, international net migration has fluctuated considerably. Recent growth in net migration has been attributed to the large amount of imported labour, mostly brought in to support the tourism and construction industries. This has also supported Seychelles' strong economic performance over the past decade. Furthermore, given the number of expatriate workers represent almost half the total employed workforce, this suggests that current (and future economic growth) will be dependent on migrant labour.

³ National Bureau of Statistics: Seychelles population projection 2014-2080.

Political

Trends emerging on the global stage include major political shifts in different parts of the world. Ideological battles over political values such as democracy, rule of law, freedom of the press, and freedom of speech are giving way to fights grounded more directly in naked self-interest. A decade ago, so-called “Western” democratic and libertarian political values played a central role in international diplomacy. The recent emergence of increasingly nationalistic right-wing governments and political movements in developed countries is challenging established global order and creating significant tensions. The implications of this change on bilateral, multilateral and political relations are major considerations going forward. Seychelles must therefore astutely evaluate and respond, to the best of its ability, to the potential impacts of the changes in the global political landscape on its development agenda.

Internally, we must evaluate the political landscape to mitigate upsets to the development process. Politics must not be detrimental to the country’s development agenda. It is thus important to consider our local political climate as a determinant in national development priorities, consumer and investor confidence.

Emerging economies

The number of economies searching for ways to be more active in the global economy is growing rapidly. The digital transformation of communications and other industries is allowing access and global reach for more businesses in many countries. Increasing numbers of emerging economies have successfully developed their tourism industries, and many can offer the sun, sea and sand experience similar to Seychelles, and thus competition in this tourism market is growing. However, as emerging markets become wealthier, the number of tourists from developing countries seeking to explore new destinations also increases. As Seychelles seeks to become further economically developed and globally competitive, innovation, strategic commerce and investment techniques will have to be employed.

Science, technology and innovation

A plethora of applications demonstrating new capabilities from robotics, materials science, 3D printing, sensors, artificial intelligence, biotechnology, and a variety of sources are enabling new business processes that are transforming business and economic opportunities and the way we live. In the same way that technology has transformed our lives and the sort of businesses that thrive over the past 15 years, so we should anticipate that the world of 2033 will be very different to the world of today, with technology being a major driver of change. About 70 percent of the world’s surface is covered by oceans, but ocean science and innovation are relatively underdeveloped. With fish stocks dwindling, growing ocean pollution and concerns over the marine environment, the strong influence of oceans on climate at a time of global warming, and advances in biotechnology which could sustainably release economic potential from the sea, it is certain that over the next 15 years the blue economy will increase in importance – and Seychelles can be at the forefront of this trend.

Information technology and communications have shrunk the world, and with constantly increasing bandwidth available, many new opportunities will be developed for sharing knowledge and expertise over great distances, e.g. new models for health or education delivery, or for security, or banking or to support dispersed business applications. But also increasingly the dark side of IT is emerging with cyber security and cybercrime issues, “fake news”, opinion manipulation and cyber espionage.

Energy

Sources of energy are proliferating as storage methods are becoming more effective. In 2017, energy storage pilot projects, demonstrations, and trial projects emerged around the world in a most unanticipated manner. Consumers are actively searching for ways to achieve energy independence, and distributed energy solutions, where consumers or communities generate their own energy, are growing across the globe. The age of dependence on fossil fuels may be ending as the world increasingly moves to power generated by harnessing the respective powers of wind, sun, biomass, nuclear and water. Eco-friendly energy generation is graduating towards energy supply based on both public and private participation and ownership. Seychelles is making considerable progress towards generating electricity

from natural gas. Preliminary discussions have started for a project to build a liquefied natural gas power plant to generate electricity locally. The project was approved by the Cabinet of Ministers in June 2018 and is aiming to replace the use of heavy fuel oil with liquefied natural gas (LNG), as it is more scalable and less damaging to the environment, taking into account the growing electricity consumption in the country.

Electricity consumption in Seychelles is expected to keep on growing in line with expansion of human settlement and economic activity. This growth is likely to be driven by increased use of air conditioning, refrigeration, computers and other related appliances. To manage this rise in energy consumption, more sustainable building codes can be adopted which include requirements for savings in cooling and electricity consumption and the installation of solar water heaters. Substantial, long-term savings in cooling needs and electricity consumption for hot water can be achieved with minor additional costs if buildings are constructed according to an appropriate building code developed for Seychelles' tropical climate.

Waste-to-energy conversion could potentially be considered in the Seychelles context, allowing for effective and strategic use of waste generated domestically. This could potentially represent a sustainable pathway for combined reductions in greenhouse gas emissions as well a clean-up of waste from the environment. In cities around the world, governments are attempting to turn waste into energy as a means to curb the expansion of landfills.

Wind is seasonal in the country and occurs mainly during the five months of the southeast monsoon period. For the rest of the year, wind speeds are low. There is presently a keen drive to grow the solar energy sector, – particularly using the roof space of existing buildings -, allowing for “green” and cost-effective power generation. This represents a step in the right direction to increasingly reduce our dependency on the import of costly fossil fuels.

Climate change

Over the past decades, global climate change has already led to a rise in temperature and higher sea levels around the Seychelles islands. This trend of global warming will continue, which may lead to adverse climatic phenomena such as flooding, coastal erosion, severe storms and heat waves. In addition, the ecosystems that provide natural protection from such extreme events, most notably the sensitive coral reefs, are likely to suffer further damage due to rising ocean temperatures.

However, climate change also offers opportunities. Investing strategically in clean energy, ecosystem restoration and resilience can create new jobs and sustain growth, especially as innovative, ‘climate-smart’ investments raise the overall quality of Seychelles’ capital stock and realize the vision of sustainable, shared prosperity centred around the blue economy.

Social awareness

Social media, communications, and shared experiences are increasing our social awareness about both local and global issues. The challenges for the future include operating businesses in an environment where customers demand both transparency and accountability in the way business is carried out, from source to delivery. As Seychelles develops further, becoming increasingly interconnected nationally as well as with the wider world, we anticipate even greater use of social media networks and electronic means of communication for personal, business and e-government purposes.

One world

On any given day, we are aware of events around the globe as they occur, giving us an everyday impression of the global village. Recognition that our actions impact the rest of the globe and that events have effects beyond the local dimension challenges us to rethink our capabilities and responsibilities.



CHAPTER 2:

**BROAD
STRATEGY
FOR
DEVELOPMENT**

For the successful implementation of the national development agenda, Seychelles will need to become a high-value economy that embraces diversification as presented by opportunities in science, technology and innovation, the blue economy and human capital development, among others. In addition to a socioeconomic transformation, fundamental changes in the traditional approach to development will be the cornerstone of the way forward.

One key priority, given our current socioeconomic challenges, is the need to change mind sets to promote a more productive and responsible nation with higher moral and spiritual values.

It calls for the involvement of all stakeholders that is at once, public, private and from civil society, as well as engagement and collaboration with regional and international partners in our development process. In doing so, we will safeguard our Creole culture and sustain our leadership role in the preservation and conservation of the environment which is key to the sustainability of our tourism and fisheries industry.

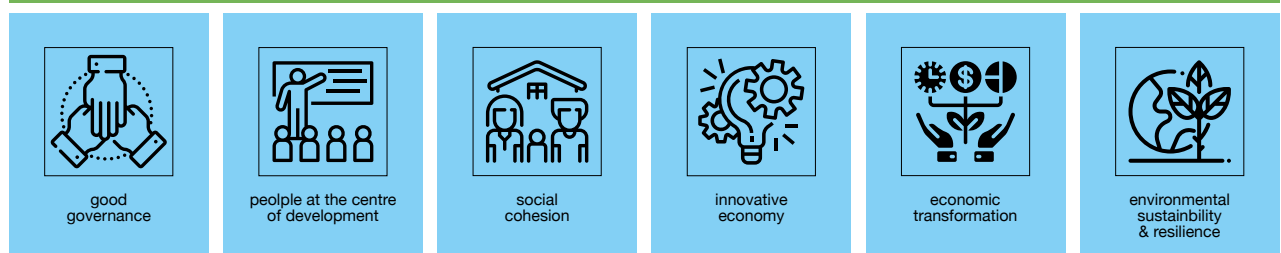
2.1 The six thematic pillars

The National Development Strategy 2019 - 2023 is supported by six key pillars. The pillars which represent the areas of focus for the NDS are:

- i.) Good governance
- ii.) People at the centre of development
- iii.) Social cohesion
- iv.) Innovative economy
- v.) Economic transformation
- vi.) Environmental sustainability and resilience

These pillars are in line with the 17 goals of the 2030 Agenda for Sustainable Development and Agenda 2063.

NATIONAL DEVELOPMENT STRATEGY / (2019-2023)



Strong moral & spiritual values
 Upholding of the Creole and island culture
 Centrality of environmental sustainability & resilience
 Government plays a strong enabling & facilitating role
 Excellent delivery of Public Sector Services
 Empowered, adaptive, responsible & sustainable communities
 Embrace new relevant and appropriate technology underpins solutions (technological solutions)
 Conducive environment for global partnerships in relevant science & technology
 Democratic, accountable & transparent governance
 Inclusivity & social cohesion
 People-centred development
 Private sector led economic growth



Good governance

Good governance is participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. This is essential for ensuring a sound foundation for peace and prosperity, which in turn paves the way for sustainable development. Furthermore, good governance is responsive to the present and future needs of a nation, exercises prudence in policy setting and decision-making, and ensures that the best interests of all stakeholders are taken into account.



People at the centre of development.

The need to build our human capital is pressing and is a top priority on the development agenda. As Seychelles engages with the wider world, the country requires a pool of highly-skilled, creative workers who can increase labour productivity and economic growth. The Seychellois people must invest time and attention in acquiring skills and knowledge which will allow us to take part in national development and provide us with the income and resources to sustain ourselves and our families. These skills and knowledge will, among others, provide us with an ability to maximize our potential despite the existence of constraints and challenges rather than perceiving our potential to be unattainable until all constraints and challenges have been eliminated.



Social cohesion

Social cohesion can be thought of as the bond or “glue” that maintains stability in society. This pillar aims to promote a renewed sense of national unity and togetherness. To realise a shared vision, our sense of belonging and inclusivity will be key in allowing our people to reconcile and foster trust, so as to move forward as one nation.



Economic transformation

Economic transformation is paramount in securing jobs, financial inclusion, poverty reduction and in boosting shared prosperity in accordance with our sustainable development goals. The nation will enhance the creation of gainful employment opportunities, in order to increase productivity and empower our labour force.



Innovative economy

Science, technology and innovation (STI) are important drivers of economic development. The ability to create, distribute and exploit knowledge has become a major source of competitive advantage, wealth creation and improvements in the quality of life. Some of the main features of this transformation are the growing impact of information and communications technologies (ICT) along with the rapid application of recent scientific advances in new products and processes. It is clear that science, technology and innovation are key to improving economic performance and social well-being. Seychelles is no exception to this global reality. STI will have to be further harnessed and adopted to meet national development needs, as Seychelles endeavours to become more engaged with the wider world.



Environmental sustainability & resilience

The Environmental sustainability & resilience pillar seeks to protect our natural environment, human and ecological health, while driving innovation and enhancing our quality of life. In this regard, Seychelles has long been a champion. However, it must be ensured that we stay the course, ensuring conservation, preservation and protection of our natural environment, while also seeking to further our development agenda. Increasing our energy and food security is also paramount to maintaining our resilience as we are currently almost entirely reliant on imported fossil fuels for electricity and imported food to feed our nation.

The results framework for the six pillars will be presented in the annex.

PILLAR 1: GOOD GOVERNANCE

Good governance is defined as the traditions and institutions by which authority in a country is exercised. This includes the processes by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect accorded by citizens and the state for the institutions that govern economic and social interactions – which include respect for the rule of law, transparency and accountability of government actions, the quality of service delivery, and the government’s capacity to promote private sector development.

Good governance was identified as a key pillar to facilitate the achievement of Vision 2033 because of its central role in the proper functioning of all institutions across all pillars. Good governance will ensure that there will be capacity to pursue the goals for each pillar and ensure the plan is implemented properly. This will ultimately result in the timely and cost-effective delivery of the NDS and Vision 2033. Furthermore, good governance is important for the implementation of the Sustainable Governance Framework.

According to the World Bank’s World Governance Indicators (WGI) for 1996 to 2017, Seychelles governance was marked by early stagnation, which in some areas improved post-2008. The WGI is divided into six dimensions, namely: Voice and accountability, Political stability and absence of violence/terrorism, Government effectiveness, Regulatory quality, Rule of law, and Control of corruption. The index ranges from -2.5 (worst outcome) to 2.5 (best outcome).

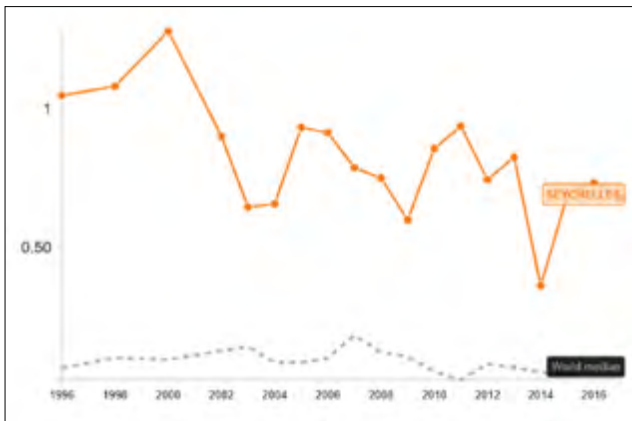
For the dimension Voice and accountability, except for a short period of significant positive change in 2005, the trend shows general decline, until 2015. Seychelles’ most recent score (2017) was 0.19. This was higher than the world average, as well as the regional average for sub-Saharan Africa. However, Seychelles’ score remains below average compared to income peers.

Voice and accountability



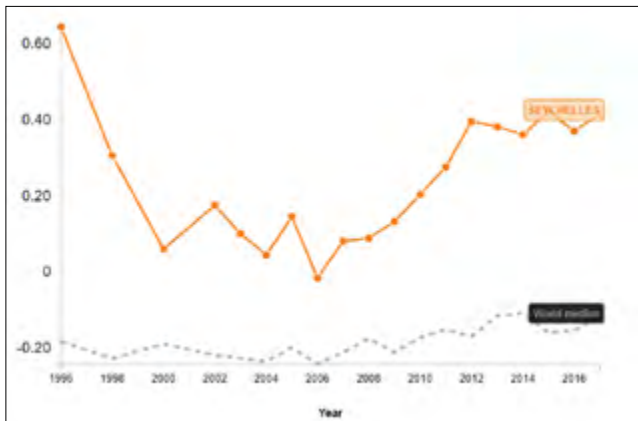
Political stability and absence of violence/terrorism has been on a declining trend for Seychelles since the beginning of the recorded period, with a noticeable dip in 2014. This is particularly concerning and will need to be closely monitored to minimise its impact on the country. Seychelles' most recent score (2017) was 0.68. This was higher than the world average, as well as the regional average for sub-Saharan Africa. However, Seychelles' score remained below average compared to income peers.

Political stability and absence of violence/terrorism



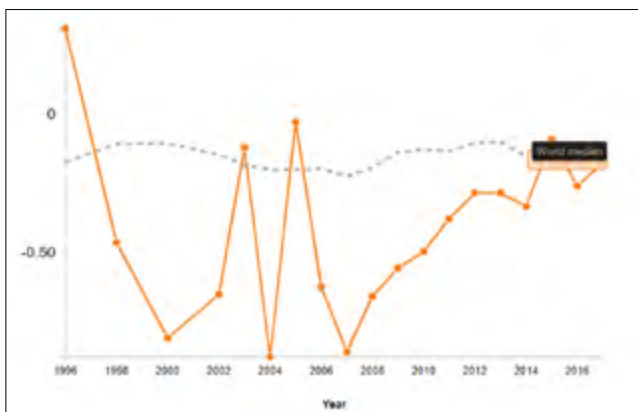
Government effectiveness has steadily increased in the second half of the timeline, coinciding with the post-2008 reform period. Seychelles' most recent score (2017) was 0.42. This was higher than the world average, as well as the regional average for sub-Saharan Africa. However, Seychelles' score was significantly below average compared to income peers.

Government Effectiveness



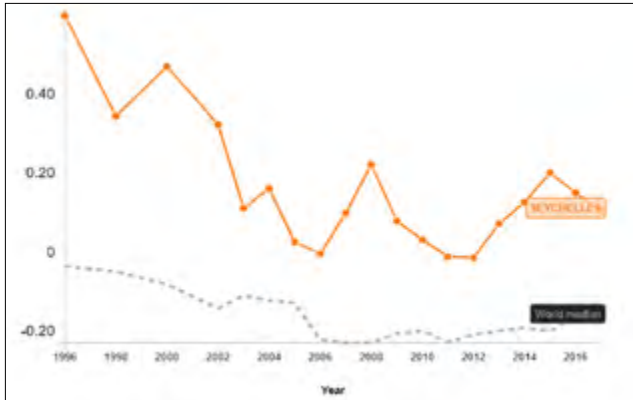
Regulatory quality has shown steady improvement since 2008 (pre-2008, the indicator fluctuated ambiguously). Seychelles’ most recent score (2017) was -0.18. This was similar to the world average, and higher than the regional average for sub-Saharan Africa. However, Seychelles’ score was significantly below average compared to income peers.

Regulatory quality



Rule of law has stagnated during the recorded period. Seychelles’ most recent score (2017) was 0.10. This was higher than the world average, as well as the regional average for sub-Saharan Africa. However, Seychelles’ score was significantly below average compared to income peers.

Rule of law



Control of corruption stagnated over the first half of the period, however the situation has improved post-2008 crisis. Seychelles' latest score (2017) was 0.68. This was higher than the world average, as well as the regional average for sub-Saharan Africa. However, Seychelles score remained below average compared to income peers.

Control of corruption



These six indicators show that the governance situation has stagnated (and at times deteriorated) from the early days of multiparty politics – with improvements happening post-2008 crisis, in some areas. However, despite these recent positive changes, Seychelles still lags behind its income peers and some best practice countries in the sub-Saharan region such as Botswana.

The below table compares Seychelles with peer and aspirational peer economies for 2017.

	Seychelles	Mauritius	Botswana	Cape Verde	Maldives	Barbados	Iceland	Samoa
Voice & accountability	0.19	0.79	0.38	0.98	-0.74	1.11	1.38	0.78
Political Stability & Absence of Violence/Terrorism	0.68	0.99	1.03	0.90	0.26	0.98	1.37	1.2
Government Effectiveness	0.42	0.90	0.43	0.16	-0.45	0.84	1.45	0.62
Regulatory Quality	-0.18	1.0	0.46	-0.20	-0.42	0.49	1.43	-0.08
Rule of Law	0.10	0.68	0.51	0.41	-0.66	0.66	1.61	0.87
Control of Corruption	0.68	0.20	0.80	0.84	-0.79	1.42	1.84	0.66

Source: World Bank

Out of all the countries in this comparison, Seychelles outperforms only the Maldives by scoring higher in all dimensions. All other economies perform better with the largest average difference being in Voice and accountability and Rule of law. The smallest difference is in Control of corruption. Seychelles' closest neighbour, Mauritius, scores better in all dimensions.

The consultations conducted to formulate Vision 2033 and the first NDS addressed many of the issues highlighted by the indicators, namely: early stagnation and recent improvements, and Seychelles' poor performance compared to other similar economies. Specific issues cited by stakeholders include: government inefficiency and disorganisation; the narrow-based economy which leaves the country exposed to exogenous shocks; growing income inequality; a large and growing government; inefficiencies in the implementation of laws and regulations; lack of human resource capacity; the blurry mandates of state-owned enterprises (SOEs); and perceived high levels of corruption and political interference in the public service. Seychelles also suffers from some of the governance problems most associated with SIDS, such as accountability issues due to the population size and its resultant close community and extended family ties. Furthermore, weak alignment between sector allocations and national objectives, and a lack of strategic planning and participatory monitoring and evaluation (PM&E) culture have also been cited as serious contributory issues.

Despite these issues, Seychelles displays some key strengths that will allow it to greatly improve governance within the next 15 years. This includes a relatively stable economy post-2008; strong commitment for public sector reforms; good infrastructure (including ICT infrastructure), and a well-educated and increasingly politically involved population. The commitment for public reforms deserve special mention as Seychelles is considered an example in the region in the rolling out of results-based management (RBM) reforms. RBM is composed of four pillars: strategic planning; programme performance-based budgeting (PPBB); performance monitoring and evaluation (PM&E) and performance management system (PMS). The full implementation of RBM in all ministries, departments and agencies (MDAs) in government will ensure efficiency, effectiveness and accountability – which will also go a long way towards improving the climate outside of government such as facilitating the operation of the private sector. Restructuring efforts are also being undertaken to rationalise government structure, separate the regulators from the operators and ensure good systems of checks and balances. Seychelles also enacted the “Access to Information Act” in July 2018 to improve transparency. Another commitment to good governance is Seychelles' recent approved membership to the Open Government Partnership (OGP).

Good governance also features prominently in the United Nation's Sustainable Development Goals (SDGs) – with emphasis on Goal 16: Peace, justice and strong institutions, and Goal 17: Global partnership to achieve the SDGs. In addition to the SDGs, the African Union's Agenda 2063 includes governance in the dimension entitled “Aspiration for the Africa We Want”, specifically in the following aspiration – i.) An Africa of good governance, democracy, respect for human rights, justice and the rule of law and ii.) A peaceful and secure Africa.

Therefore, to ensure a democratic, transparent, secure, accountable and efficient state – that is able to facilitate socioeconomic transformation, address the growing issues of economic inequality and social ills, and honour our international commitments – the following goals will need to be met.

GOALS AND STRATEGIES

GOAL 1: A TRANSPARENT, ACCOUNTABLE AND CITIZEN-CENTRIC GOVERNMENT THAT DELIVERS EFFICIENT, EFFECTIVE AND QUALITY SERVICES.

This goal targets the performance and accountability of the three branches of government, with the aim of building a government that is able to deliver efficient, quality and cost-effective services that are of use to the population. Emphasis will be placed on performance management, data management, accountability frameworks, public participation, and technology and innovation.

Strategies

1.1. Promote a performance-based, accountable and transparent public sector.

A high-performing public service requires skilled, motivated and responsible employees. The government will promote an effective and meritocratic public sector through implementation of the performance management pillar of the results-based management (RBM) reform, improved data management, as well as improved capacity for enforcement at relevant public oversight institutions.

1.2. Strive for open government and empower citizens in the decision-making process.

Citizen participation in the decision-making of government is important in order to build trust in the process and to ensure that policies are relevant. This strategy will be achieved through further public consultations, the implementation of the Access to Information Act, and engagement with the media and civil society to improve participation and accountability.

1.3. Enhance the efficiency of the public sector through innovation and the use of appropriate technologies.

Given the ambitious agenda, it is crucial that the public service becomes more efficient, innovative and cost-effective. This will require new ways of delivering services through innovation in the public service.

GOAL 2: A SECURE AND FAIR STATE WHERE THE RULE OF LAW IS UPHeld AND HUMAN RIGHTS ARE RESPECTED.

The goal is to build capacity within the three branches of the state, the private sector and civil society regarding the necessary political and institutional environment that upholds human rights, democratic principles, the rule of law and good governance. This goal will include strengthening the enforcement of laws and regulations, strengthening the judiciary, ensuring better border control and a stronger stance against corruption.

Strategies

2.1. Strengthen enforcement of laws and regulations.

In order to protect citizens from crime and uphold justice and the rule of law, it is not enough to enact appropriate laws and regulations; it is important that all the laws and regulations are also properly and consistently enforced and that public awareness is raised with regard to those laws. This strategy will be achieved through ensuring effective community policing, promoting good work ethics, equity before the law and strengthening the justice system.

2.2. Strengthen border security.

Seychelles' vast Exclusive Economic Zone (EEZ) is vulnerable and will need to be properly protected. This will be achieved through a comprehensive strategy aimed at increasing capacity of the marine security and safety entities, together with strong border control at all ports of entry.

2.3. Prevent corruption in all forms.

Corruption undermines policy effectiveness and is a barrier to development. This strategy calls for the strengthening, independence and access to redress of the Office of the Ombudsman, Public Officers Ethics Commission, Public Service Appeal Board, Human Rights Commission and Anti-Corruption Commission of Seychelles (ACCS). The strategy also calls for an executive that is fully subject to the laws of the country as well as an independent legal system guaranteeing equality for all before the law. It will also require the people who have been affected (e.g. asked for a bribe) to report the offending persons to the appropriate authority.

Key indicators and targets

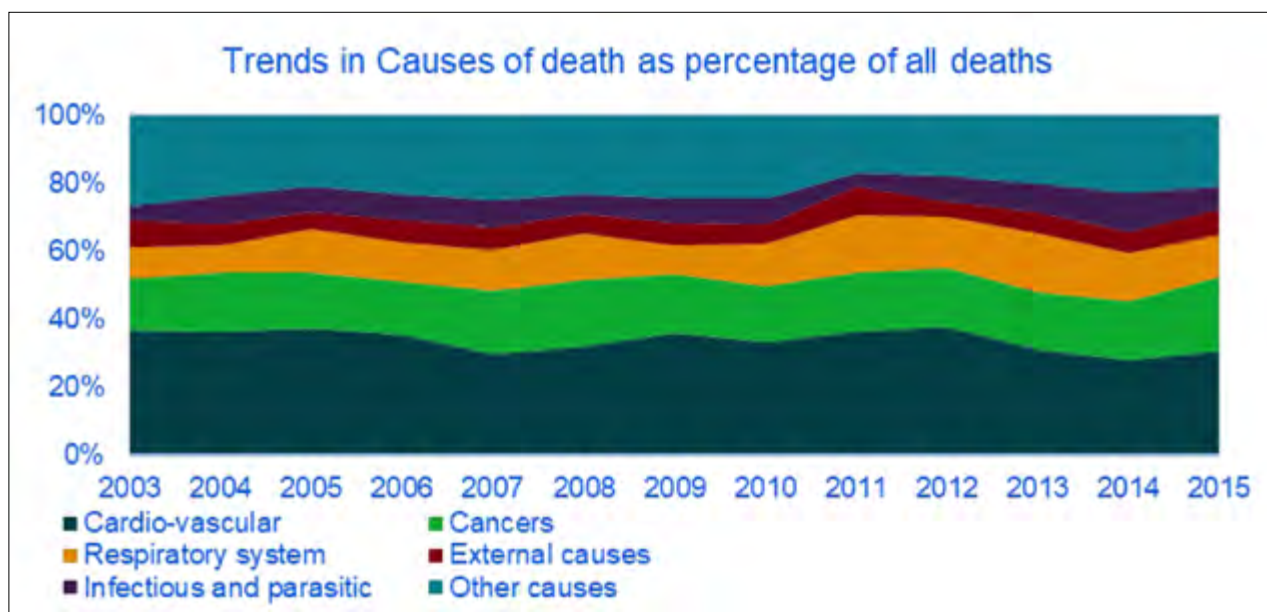
Governance			
Indicator	Data Source	Baseline	Target (end of period)
Ibrahim Index of African Governance	Mo Ibrahim Foundation	Score 73.2, Ranked 2/54 (2018)	Score 83.0
Perception of Corruption Index	Transparency International	Score (66/100), Ranked 28/180 (2018)	Score 76/100

PILLAR 2: PEOPLE AT THE CENTRE OF DEVELOPMENT

The quality of human capital is critical for the development of the country as well as for sustainable global development. Considered as an asset, human capital represents a measure of the economic value provided by the stock of knowledge, skills, and abilities within a country. Thus, the process of human capital development requires investing in skilled, healthy and productive citizens to promote a prosperous and inclusive economy.

Recently, Seychelles has been ranked as the top country in the African region based on the Human Development Index (HDI) 2016 of the United Nations Development Programme (UNDP). This can be attributed to the country’s strong health indicators such as free primary and universal access to healthcare, a robust primary care system and a generally high life expectancy. However, challenges exist such as the wide life expectancy gap between women and men and an ageing population.

Moreover, it has been observed that Seychelles has experienced a rise in non-communicable diseases (NCDs). The graph below shows that cardiovascular, respiratory diseases and cancer account for about 60 percent of deaths in Seychelles.



Source: World Bank staff calculations based on Ministry of Health data

As per the global experience, ageing and the rise of NCDs increase the needs for expensive, long-term care and chronic care. Coupled with the spread of expensive health technologies, they can lead to escalations in health care costs. These challenges may lead to unsustainable healthcare spending. Service utilisation is already high in Seychelles: on average, a person visits health facilities six times a year, and in most cases (four of the six visits) is seen by a doctor. This number is higher than Nordic countries (3.8 visits per person).

Also, quality of health services is critical to the “value for money” agenda in health spending. Successful management of NCDs in primary healthcare (PHC) settings can prevent hospitalisation and complications such as lower extremity amputation in diabetics. Such indicators are therefore used to assess the quality of PHC. Compared to OECD countries, Seychelles has very high avoidable hospital admission rates for common conditions such as asthma, hypertension and diabetes. The country’s diabetes amputation rate is also much higher than the OECD average. For three common cancers (breast, cervical and colorectal), Seychelles has much lower survival rates compared to OECD countries, pointing to the need to improve the quality of care in Seychelles, especially in PHC.

Table - Quality of care: Seychelles vs. OECD in selected healthcare measures

Indicator	OECD			Seychelles
	Lowest	Average	Highest	
Asthma: hospital admission rate	10	44	109	96
Hypertension” hospital admission rate	9	83	397	262
COPD: hospital admission rate	23	198	395	84
Chronic heart failure: hospital admission rate	74	244	548	230
Diabetes: hospital admission rate	44	150	338	938
Diabetes: lower extremity amputation rates	2.4	6.4	15.9	99
Cervical cancer	45	66	81	36
Breast cancer	74	85	89	44
Colorectal cancer	50	62	71	48

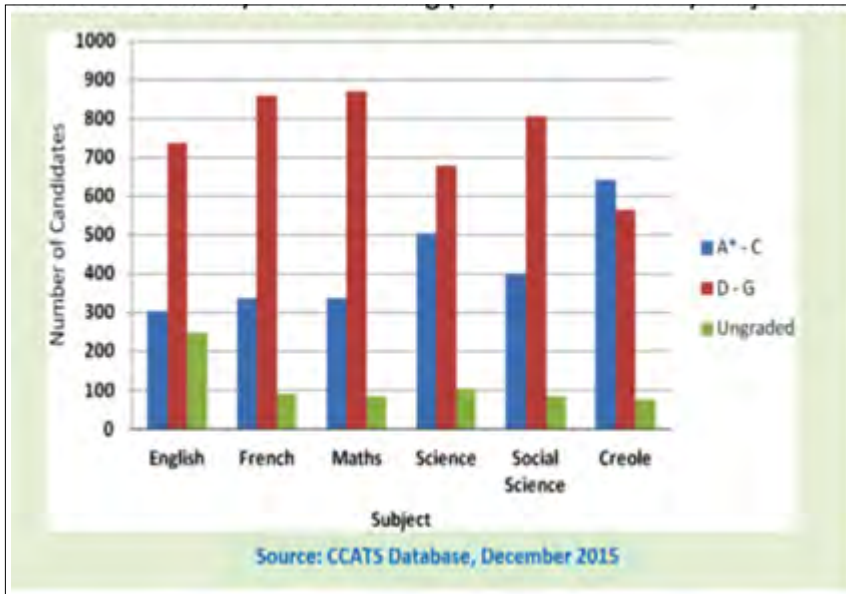
In addition to health concerns, as Seychelles' economy develops further, this will demand higher and more specialised skills. Thus, quality education and skills development at all levels is fundamental in this aspect. The country has been successful in providing universal access to education. As can be seen below, the levels of enrolment up to secondary education have been comparable to those of most middle-income countries and those of many high-income countries.

	NER Primary	NER Secondary
Chile	93.94	93.04
Costa Rica	96.13	78.12
Finland	99.43	94
Malaysia	94.6	69.1
Mexico	95.6	67.41
Rep of Korea	96.31	96.15
Seychelles	94.69	74.57
Turkey	86.69	92.9

Note: "NER" stands for Net Enrolment Rate. Source: UNESCO Institute of Statistics and Edstas

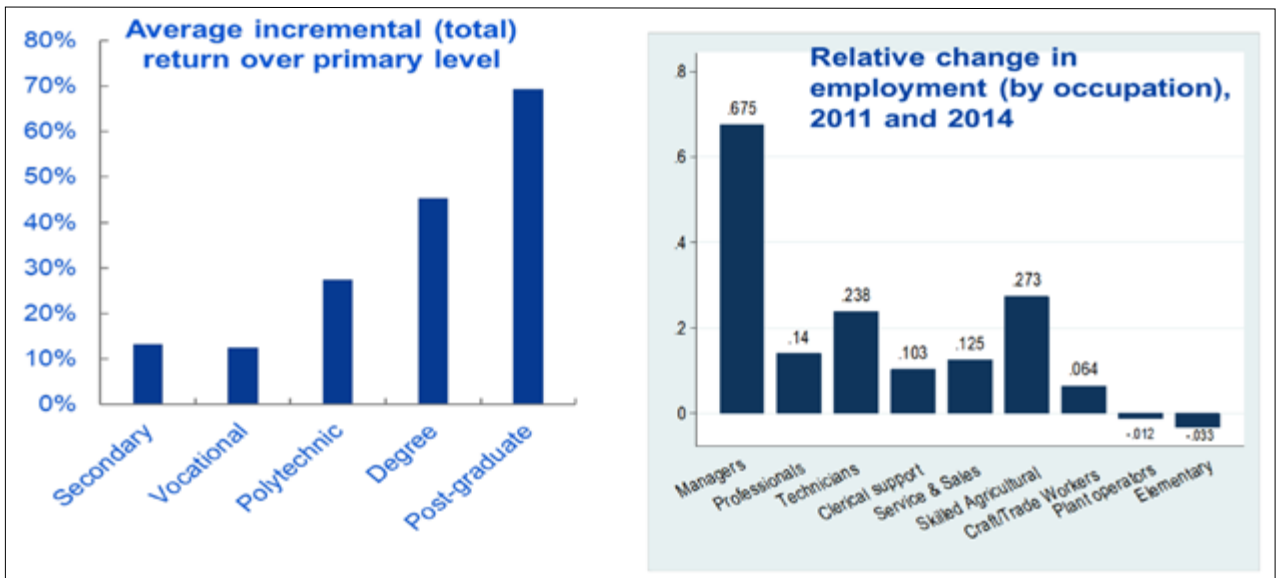
However, there are concerns over both the quality and equity of educational outcomes in Seychelles. The following graph depicts how the education system delivers very few high-scoring graduates.

National secondary-school leaving (P6) exam results by subject and grade – 2015



Moreover, benchmarking cross-regional comparisons of PISA + results suggests that Seychelles may score lower than upper middle income comparators such as Malaysia, Costa Rica, and Chile. This indicates that education quality lags behind upper middle-income countries (MICs), and certainly below that of its high income economy peers.

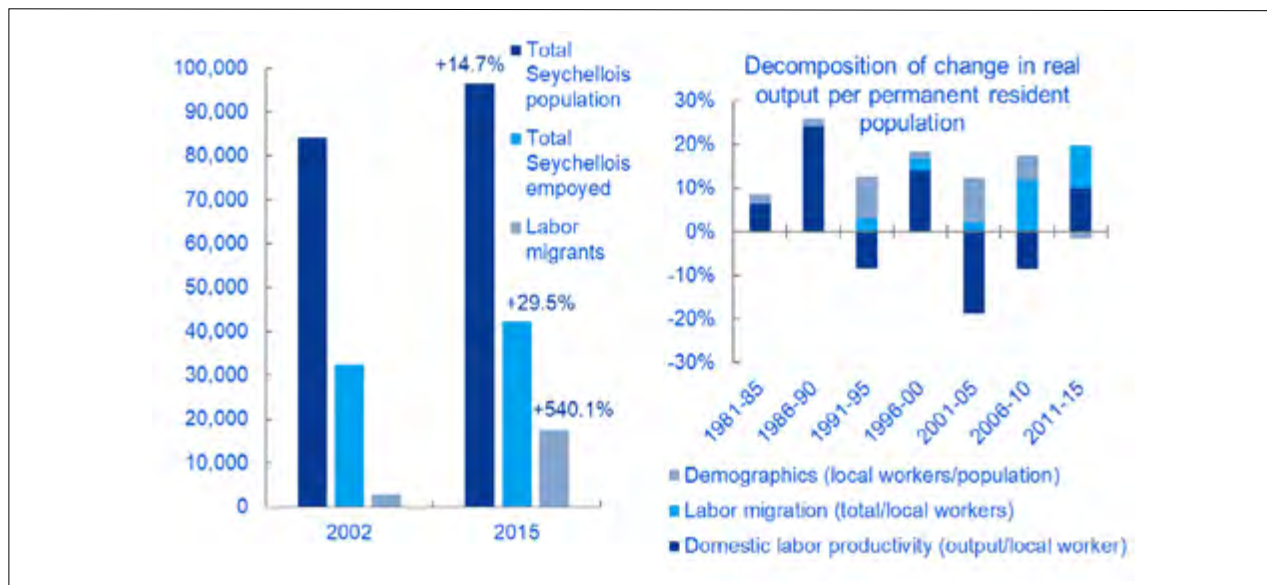
Overall, there are high returns from attaining an education, although this is mostly for those who study to degree level. This, together with a shift in labour demand towards higher skilled jobs, are evidenced in the graphs below.



Source: World Bank staff calculations based on household budget survey and labour force survey data.

As the economic opportunities in Seychelles' economy increase, it is important that the local population is not left behind and is thus equipped with the education and skills required to participate. Additionally, the challenge for the development of the blue economy is that the local workforce is trained with the skills needed to partake fully in this sector.

Over 70 percent of people in the Seychelles labour market work on a full-time basis, with about 10 percent operating their own business and about four percent operating a business with regular, paid employees. Since the mid-2000s, imported labour has increased rapidly and this has been linked with the corresponding growth of output over the years.



Source: Staff estimates based on data from Agency for National Human Resource Development, Ministry of Home Affairs, United Nations.

Seychelles has high labour market participation and an overall low unemployment level of approximately four percent, with less than 2,000 individuals recorded as unemployed. However, youth unemployment levels are significant at about 14 percent and are also slightly high relative to total employment.

	Number	Share	Labor participation (%)	Unemployment (%)
Gender				
Male	22 368	49.6	79.6	4.0
Female	22 661	50.3	76.8	4.1
Age cohort				
15-24 years	6 993	15.5	57.4	13.3
25-34 years	10 962	24.3	88.1	3.8
35-44 years	10 505	23.3	90.6	2.5
45-54 years	10 725	23.8	86.9	1.2
55-65 years	5 874	13	64.8	1.7
Educational level				
None	443	1	45.0	3.2
Primary	3 974	8.8	57.8	5.0
Secondary	19 230	42.7	76.0	4.4
Post-Secondary	17 470	38.8	89.4	11.5
Degree	2 045	4.5	90.5	1.0
Postgraduate	1 423	3.2	87.7	0.3
Not specified	474	1.1	44.8	7.0
Total	45 059	100	78.2	4.0

Moreover, another constraint is that job flexibility is limited and the structure of the labour market is likely to be limiting opportunities. This is mainly driven by the fact that there is a lack of flexibility in local employment rules and norms, such as those regulating work hours and contractual arrangements.

Although Seychelles has a high level of human development, there are still many challenges to overcome. It is urgent to address the factors that constrain the abilities and opportunities for Seychellois. Having people at the centre of development as a pillar of Vision 2033 and the NDS for Seychelles will take into account health, education, skills development and employment. By covering these, it will be ensured that socioeconomic progress is continuously achieved through the contributions of the country's residents.

GOALS AND STRATEGIES

GOAL 1: THE ATTAINMENT OF THE HIGHEST LEVEL OF HEALTH AND WELLBEING

Health is a fundamental human right, and the pursuit of better health is both a personal and a societal endeavour. The goal of ensuring healthy lives and promoting wellbeing for all at all ages (SDG3) reflects the central position of health in sustainable development, and underscores the fact that health status is the result of many social determinants. In turn, investment in health influences the attainment of other SDGs, and good health is also key to human capital development.

Strategies

1.1 Pursue effective health protection and promote empowerment and personal and societal responsibility for holistic health. It is necessary to coordinate national initiatives to increase and strengthen health promotion and disease prevention programmes, with the continued focus on keeping people healthy. The annual “My health, my responsibility” campaign recognises that individuals and the community at large need to be engaged and empowered to choose healthy behaviours and lifestyles. It is also important to educate people on the benefits of private medical insurance and encourage them to invest in this.

1.2 Build a high-quality integrated healthcare system with a focus on people-centred care.

The objective is to improve the quality of care and ensure that the services are directed at meeting the changing needs of individuals who use them. Moreover, within the health sector there should be closer interaction and partnerships between public and private service providers to improve a range of health services.

GOAL 2: EDUCATED, EMPOWERED AND RESPONSIBLE CITIZENS ENGAGED IN BUILDING A SUSTAINABLE, INCLUSIVE AND EQUITABLE SOCIETY.

Investing in education leads to significant development benefits.

However, to achieve sustainable development, it is not enough to provide access to education, but central to the development of human capital is the quality of education provided. This is in line with the achievement of SDG 4 which is to ensure inclusive and equitable quality education and promote life-long learning opportunities for all. It is therefore recognised that the quality of the education system is a critical determinant in sustaining the future of the country. Additionally, a culture of learning should be encouraged to ensure that education is valued by all.

Strategies

2.1 Promote greater and more effective inclusiveness in education and lifelong learning for every age group.

Seychelles recognises that sustainable development also means “leaving no one behind”. For education, this means everyone receiving equitable access to learning opportunities and thus entails broadening the access to high-quality education and skills development to the whole population regardless of their gender, race, religious beliefs, social status or any other individualities. Moreover, a holistic approach involving all stakeholders needs to be adopted to ensure that lifelong learning opportunities are provided to everyone. This will ensure that people will be provided with the relevant skills for employability and also encourage the development of engaged citizens.

2.2 Reform the education system for the realities of Seychelles today and for the future.

The education system in Seychelles needs to be reformed in order to ensure that it is more responsive to the needs of the economy, both in terms of content and quality. Examples of how this can be done includes adapting the curriculum to emphasise acquiring skills that will be needed for the socioeconomic transformation agenda of the country. Moreover, the education system will provide learners with the complete set of skills needed i.e. academic, soft, and vocational skills. There is a need to embrace new technologies as drivers of improvements in education outcomes and in ensuring more engaged citizenry in the education system.

GOAL 3: A PRODUCTIVE AND SKILLED LABOUR FORCE TO SUPPORT SOCIO-ECONOMIC TRANSFORMATION.

In the pursuit of sustainable development, it is important to achieve full and productive employment and decent work for all (SDG 8). Ensuring this will require an efficient labour market, a well-trained workforce with opportunities for lifelong learning, and upgrading of skills.

Strategies

3.1 Develop an efficient and effective labour market.

The recently developed human resource strategy which responds to the needs of Vision 2033 will be implemented for Seychelles to have an efficient and effective labour market. The focus will be placed on aligning the country's human resources with the changing demands of the labour market. It is important for planners to think strategically about the skills required and number of employees within priority areas over the medium to long-term, particularly to address and support the government's drive to diversify the economy.

3.2 Manage and upskill the labour force.

For the successful implementation of Vision 2033, the development of a skilled workforce in Seychelles will be required to satisfy the needs that will emerge from knowledge-based industries, such as the blue economy. It is thus critical to ensure there are sufficient opportunities for training knowledge-based workers as well as continuous workplace development and lifelong learning. A renewed focus to improve the quality of basic education in science, technology, engineering and mathematics (STEM) fields and strengthening the linkage with productive sectors at technical and vocational education and training (TVET) and tertiary levels of education is fundamental to achieving this goal. Moreover, the National Labour Migration Policy will be used to ensure that Seychelles has a robust national strategy to better manage labour migration and labour migration flows, and as well as to ensure effective protection of migrant workers' rights while making sure that social cohesion in Seychelles remains secure.

Key indicators and targets

People at the centre of development			
Indicator	Data Source	Baseline	Target
Human Development Index (HDI)	United Nations Development Programme	Score 0.797, Ranked 62/189 (2018)	Score 0.85
Human Capital Index (HCI)	World Bank	Score 0.68, Ranked 43/157 countries (2018)	Score 0.75

PILLAR 3: SOCIAL COHESION

Social cohesion addresses issues of national unity, national identity, togetherness and community spirit. It relates to the rules and norms that allow people to work and live together. A socially cohesive society is one which works towards the wellbeing of all its members, fights exclusion, racism and marginalisation, creates a sense of belonging, promotes trust and tolerance and offers its members the opportunity of upward mobility.

Poverty, social inclusion and culture are key features of the 2030 Agenda for Sustainable Development, and its 17 Sustainable Development Goals. Goal 1: No Poverty explicitly seeks to end poverty in all its forms, everywhere, in line with Vision 2033 and its related strategies. Goal 5: Gender Equality, addresses the universal desire to migrate towards a future inclusive of all genders. The social cohesion pillar reflects the development outcomes of Agenda 2063, for example, Aspiration 5 of Agenda 2063: Africa with a strong cultural identity, common heritage, values and ethics. Furthermore, Aspiration 4: A peaceful and secure Africa, reiterates the quintessential role of peace, security, and stability as a platform for inclusive and sustainable development.

Social cohesion is a fundamental pillar of the NDS 2019-2023, reflecting the desire to address socioeconomic challenges of present-day Seychelles, as well as to maintain the fabric of Seychellois society. The broad public consultations brought forward several issues for which the people are seeking resolutions. These include poverty, social protection and welfare, drug and alcohol abuse, crime and security, cultural identity and religious tolerance to name a few.

The cost of social protection is high, at 4.3 percent of GDP in 2015. The current social protection system reduces poverty but it is not positioned to counter growing pressures on equity and social cohesion. The composition of social protection spending is mostly skewed towards the elderly, which raises equity and efficiency concerns (see table below). In 2015, 79 percent of total social protection spending was on the elderly. It is projected that the proportion of the population aged 65 years and above will be approximately 21 percent by the year 2050. The Agency for Social Protection (ASP), in 2015 had expenditures in excess of SCR400m on the Universal Retirement Benefit, as a single line item. Furthermore, in the same year, the expenditures (from ASP) to the Home-Care scheme for the elderly exceeded SCR170mn. There are lingering concerns surrounding the sustainability of such far-reaching social protection expenditures. The figure below provides some more detailed information on the scope and cost of social protection programmes.

Social protection expenditures and beneficiaries							
		2012	2013	2014	2015	2016	2017
Social security expenditure							
No. of beneficiaries		15,311	14,721	15,276	16,201	19,759	21,955
Total amount paid (SCR million)		470	435	467	508	857	1,085
Defined benefits: No. of beneficiaries							
Retirement		6,774	6,800	6,735	6,669	7,617	10,413
Invalidity		1,186	1,071	1,140	1,180	1,360	1,675
Disability ⁽¹⁾		-	-	-	-	144	611
Orphans		59	75	66	67	60	63
Semi-Orphan ⁽²⁾		-	-	-	138	513	653
Others		719	848	595	627	875	997
Discretionary payments: No. of beneficiaries							
Unemployment Relief Scheme ⁽³⁾		11	11	8	3	0	0
Youth Training Scheme ⁽⁴⁾		0	27	7	8	8	0
Home Carers Scheme		2,502	1,976	2,593	2,641	2,882	3,263
Bursary		2,016	1,617	2,092	1,890	1,619	1,771
Welfare		2,044	1,888	2,040	2,978	4,681	2,509
Amount paid (SCR million)							
Retirement ⁽⁵⁾		213	207	238	252	442	612
Invalidity		34	32	39	41	91	107
Sickness/maternity		8	13	15	12	7	7
Orphans		1	1	1	1	2	1
Semi-orphan ⁽²⁾		-	-	-	2	6	10
Others ⁽⁶⁾		3	2	3	5	2	2

⁴ Source: Agency for Social Protection

⁽¹⁾ Prior to 2016, the disability benefit was paid under the invalidity benefit

⁽²⁾ Newly introduced category as of 2015

⁽³⁾ As of 2016, the scheme was phased out

⁽⁴⁾ The scheme was relaunched in 2013

⁽⁵⁾ As of 2016, retirement includes transfers from Seychelles Pension Fund

⁽⁶⁾ Includes survivors, funeral and injury benefits

A recent study⁵ commissioned by the Office of the Secretary of State for the Prevention of Drug Abuse and Rehabilitation revealed an estimate of approximately 4,800 heroin users in Seychelles with a prevalence of HIV at 8.0 percent and a prevalence of Hepatitis C at 35.6 percent among this group. The figures below display a substantial heroin dependence issue in Seychelles and this is a serious public health matter.

Country	Source/Type of study	Age range	Population size estimate	Proportion of population
Seychelles	IBBS ¹ , 2017	15 yrs. +	4,800 heroin users	5.6%
		15 yrs. +	2, 560 PWID ²	3.3%

The level of heroin dependence in the population is having and certainly will continue to have a major impact not only on public health including its expenditures and management, but also on the national development of the country, through its impact on labour, employment, education and training and the ability of the population affected to participate fully in the socioeconomic development of the country. The Agency for the Prevention of Drug Abuse and Rehabilitation (AP-DAR) is working towards the stabilisation of patients physically, psychosocially and spiritually, as well as providing skills acquisition opportunities to prepare patients for reintegration into the work force and the community.

On the cultural scene, Seychellois culture in its various forms is an integral part of daily life. The three official national languages (Creole, English and French), food, built heritage, music, dance and visual arts come together to form the Seychellois identity. A Culture Policy adopted in 2004, sets forth 11 aims for the cultural development and management of Seychelles. These include: (i) to protect, safeguard, and develop the moral, ethical, and spiritual values of Seychellois culture and dignity, including the protection of intellectual property, and the cultural, as well as the natural heritage of Seychelles and (ii) to preserve our traditional culture and values alongside contemporary lifestyles and developments, in order to ensure the preservation and protection of our small island culture against all adverse cultural industries, national and international⁸.

The country has achieved success in inculcating the unity of a diverse and multiracial society, of which members are descended from Asia, Africa, and Europe. The phrase “Seselwa, en sel desten”⁹ was adopted as the national theme for the year 2017. This alludes to the acknowledgment of the oneness of the Seychellois nation, the recognition of a shared sense of belonging and concern for each other, and the determination to forge a better future for all through national unity.

Sports at national level has continued to evolve over the years with traditional sports such as football, volleyball and swimming remaining prominent. More recently, Seychelles has also seen the emergence of beach football and other emerging types of sport. The sports sector has had some notable success in recent years. Major achievements of this sector in 2017 and 2018 include:

- Seychelles won three gold, three silver and five bronze medals at the “Commission de la Jeunesse et des Sports de l’Océan Indien” (CJSOI) games which were held in Djibouti.
- In addition, the national volleyball team won gold at the Indian Ocean Club Championship (IOCC) for men and silver for women.
- Seychelles won two gold medals at the 2017 Regional Sailing Championship and one gold at the “Mauritius Defi” 40km crossing in windsurfing.

¹ Integrated Behavioral and Biological Surveillance Survey 2017
² People who inject drugs
³ Seychelles Biological and Behavioral Surveillance of heroin users 2017: Round one
⁴ Integrated Behavioral and Biological Surveillance Survey 2017
⁵ People who inject drugs
⁶ THE CULTURAL POLICY OF THE REPUBLIC OF SEYCHELLES
 ISBN: 99931 – 59 – 02 – 5
 © Ministry of Local Government, Sports and Culture, 2004
⁸ “Seychellois - one destiny”

Furthermore, the various sports federations have been active in organising their respective tournaments and leagues. At national level, top-performing athletes are recognised annually through the Sports Awards ceremony. Furthermore, a total of 44 “Duke of Edinburgh International Award” participants successfully completed and received their Gold Award over 2017 and 2018, a notable success for the youth of Seychelles.

In 2018, the Department of Youth and Sports was able to revise its youth policy as well as its sports policy, allowing for clearer and more up to date guidelines and operational frameworks.

The various sociocultural challenges that the country faces necessitate various levels of intervention. Poverty, drug and alcohol abuse, and dependency on social protection mechanisms are key issues which must be addressed strategically. Furthermore, concerns such as changes in family structure, globalisation, and modernisation may have direct effects on the very fabric of Seychellois society. Social cohesion therefore is pivotal for a successful, peaceful and stable society.

GOALS AND STRATEGIES

GOAL 1: HAPPY, HEALTHY PEOPLE LIVING IN A HARMONIOUS AND PEACEFUL COMMUNITY

Within our communities, peace and wellbeing at all levels is essential for the advancement of our nation. The happier and healthier our people are, the more capable they will be to take an active stance in national development. We envision a state in which harmony reigns in our communities, enabling men, women, children, young and old to flourish according to their personal aspirations and talents.

This goal addresses the need to cultivate our social capital. Social capital can be thought of as the links, shared values and understandings in society that enable individuals and groups to trust each other and so work together.

Strategies

1.1 Strengthen social protection mechanisms.

Social protection and prevention measures must ensure that society’s most vulnerable and marginalised members are catered for, with no one left behind. This requires a more strategic and targeted social safety net to ensure long-term sustainability. Furthermore, there is a need to ensure greater availability of social specialists to counsel and provide support to those with social challenges.

The development process should be inclusive, promoting poverty reduction and gender equality in line with the 2030 Agenda for Sustainable Development. All societal groups are to be considered in addressing the country’s development needs. The challenge remains to reduce inequality via appropriate mechanisms, taking into account Seychelles’ specific characteristics. Moreover, issues of building the capacity and resilience of all groups of society will be the key to their greater inclusion in the socioeconomic development of the country.

1.2 Strengthen prevention, rehabilitation and detoxification programmes.

The toll taken on our society by drug and alcohol abuse will necessitate a comprehensive prevention, detoxification and rehabilitation initiative. The strengthening of such initiatives with the assistance of support groups is therefore pivotal. Furthermore, it will be necessary to engage the public at large in changing their mind set towards victims of substance abuse in order to address the stigma associated with this particular issue.

1.3 Building safe, resilient communities. At community level, the prevalence of a conducive and safe environment is of highest importance, as families require peaceful, stable living conditions to thrive. This strategy works towards the development of such an environment.

1.4. Increase sports education, awareness and cultural change. The role of sports has long been an important one in Seychelles. Sport represents a healthy, active lifestyle choice. An increase in awareness aims to ensure that the population at large has a sound understanding of the benefits of sports and an active lifestyle. This strategy aims to inculcate the culture of physical activity and to encourage people to enjoy the habit of being active.

GOAL 2: ENSURING CULTURAL SUSTAINABILITY FOR THE WELLBEING OF ALL.

Our rich Seychellois culture is one of our key assets as a nation. As Seychelles becomes increasingly modern and joins the “global village”, Seychellois are now more exposed to a great variety of popular culture from across the world. This has meant that our Seychellois culture is under threat of disappearing in the face of modernisation and globalisation. Nevertheless, Seychellois dance, food, music, poetry, visual art and unique Creole mannerisms remain at the core of our identity as a people. Our local culture complements and adds value to our tourism industry, as hundreds of thousands of visitors flock to our shores every year to experience Seychellois culture in addition to the country’s scenic beauty.

Strategies

2.1. Promoting, developing and preserving our local artworks, literary works, language, cultural heritage and identities. Seychelles possesses an evolving and dynamic culture based on its traditions and values. Local artwork has long been a source of pride and inspiration, allowing Seychellois to express themselves in several artistic forms. By promoting, developing and preserving artwork and culture, Seychelles stands to enrich its cultural scene, while simultaneously providing a mechanism for the preservation of cultural knowledge and practices.

2.2. Creating economic value from our Creole culture. Seychellois culture has the potential to generate a substantial amount of income for all parties involved. Promotion of creative industries, cultural tourism, and investment in various sustainable artistic ventures are some of the ways in which national development efforts can harness the diverse culture which Seychelles possesses. Moreover, promoting investment in our traditional practices in collaboration with local experts will help to maximise and sustain the ensuing socioeconomic benefits. Furthermore, it will remain vital that, at national level, there is consistent encouragement and support for local artists to take on a more active role on the cultural scene by allowing them access to appropriate facilities and creative spaces to expand on their talent.

2.3. Preserving and promoting the country’s cultural & World Heritage sites. Seychelles’ diverse history has resulted in a substantial physical heritage. It is therefore of paramount importance to encourage the preservation and protection of national landmarks such as buildings and monuments, all the while building the public’s awareness on their historical and cultural value.

Key indicators and targets

Social cohesion			
Indicator	Data source	Baseline	Target
Life expectancy	National Bureau of Statistics	74.3 years (2017)	80 years

PILLAR 4: INNOVATIVE ECONOMY

Investment in science, technology and innovation (STI) is imperative for economic development and social progress. STI plays a critical role in furthering the transition to a “knowledge-based and innovation driven economy” for sustainable development. The latter is to be realised by also taking into account the commitments of the Republic of Seychelles to the SDGs, also referred to as Agenda 2030, specifically SDGs 4, 7, 9, 14 & 17 as well as the African Union’s Agenda 2063, most notably aspirations 1, 2 and 6, which are primarily geared towards the promotion of STI through use of mechanisms such as education.

STI has for many years been recognised as a key driver of economic growth and human development. Innovation, by means of scientific discovery and the creation of new technologies, serves as a key element in augmenting international competitiveness for any nation. Likewise, research and development (R&D), which refers to the process of creating new or improving technology, helps in contributing to increasing the competitive advantage of businesses, industry or society as a whole. An analysis of the local situation in Seychelles indicates that while there a multitude of research is being carried out, access to the research findings is often limited. This is exacerbated by the absence of a central repository to store datasets and reports. In addition, the lack of a governing body impedes the flow of funds for research undertakings, hinders the publication of research and heightens the tendency for duplication of work. To make the situation worse, although relevant research is being carried out, utilisation of the findings for the development or improvement of products and services is in most instances lacking.

STI is steadily moving away from a set of buzzwords and technical jargon, incomprehensible to non-scientists, to a tangible means for the betterment of people’s lives due to its influence in the progression of other sectors such as education, health, social welfare and behaviour, environmental conservation, and finance. STI is cross-cutting and pervasive in all ministries, departments and agencies of the government, as it also is in the private sector and civil society. In fact, STI is a vital contributor to all areas of socioeconomic development. However, to ensure the optimisation of socioeconomic impact and the highest returns on the investment of Seychelles’ scarce resources, a general focus on some critical sectors that will be targeted in the first five-year NDS is shown in the table below.

Areas of focus for STI		
Blue economy	Social	Private sector
Education	Tourism	Fisheries
Environment	Cleaner energy	Agriculture and food security
Health	ICT	Governance

Mainstreaming sustainable development involves the informed inclusion of sustainability concerns into national development policy and plans which are better and more coherent. More efficient planning fosters technological innovation and seeks novel ways to improve productivity, resilience and the adaptive nature of human systems. Such mainstreaming depends upon a change in mind set and approach, with more stakeholders working together towards the vision and seeing how linkages may be achieved to bring about the desired outcome with the best possible benefits to society and the environment.

As a result, the government is committed to providing unwavering support for the implementation, monitoring and evaluation of an inclusive, progressive and people-centred STI policy and strategy initiatives. The formation, approval and gradual implementation of the necessary institutional infrastructure will bring about this transformation and enhance the relevance of STI to the people. This began with the creation of the National Institute for Science, Technology and Innovation (NISTI) in 2014. The institute is mandated to formulate a focused roadmap in the form of a policy and strategy for ‘Science, Technology and Innovation for Seychelles 2016-2025’ with an action-oriented, medium-term plan covering 2019-2023.

To successfully accomplish mainstreaming efforts, planned and adequate funding for R&D will need to be ensured and indices developed to monitor and measure the impact of STI initiatives on the socio-economic of the beneficiaries. A baseline (2017) of 0.4 as a percentage of GDP for gross expenditure on research and development (GERD) was established. This would aid towards establishing a proper funding mechanism for investment and development which would better inform the government of prevailing funding gaps in this sector. GERD is expected to increase by one percent in 2020 and will be further increased to two percent by 2025. This is to be realised through the 10-year National STI Capacity and Research Infrastructure Development Plan” formulated and being implemented by NISTI and the National Research Fund.

STI creates opportunities, promotes a conducive socioeconomic environment, encourages investment and improves living standards. Despite this, to date, the benefits of STI are deemed not to be sufficiently reaching the people where it really matters. STI initiatives are not always focused towards the population’s needs. People’s recurrent and pervasive issues, such as cardio-vascular ailments, obesity, cancer, substance abuse, breakdown of the family structure, invasive species impacting the environment and everyday life, traffic congestion and personal financial constraints do not always get the right priority and funding for research.

Of late, the Republic of Seychelles has taken the strategic initiative of focusing on economic diversification through the development of its blue economy. The concept is one of critical importance to small island states such as Seychelles as it stresses the need to sustain and protect terrestrial, coastal and marine ecosystems. To ensure that the sector’s true importance is recognised, the University of Seychelles established the Blue Economy Research Institute (BERI). The institute’s core mandate entails the creation of a regional, knowledge-based network which would aid in facilitating partnership and research, advance sustainability initiatives, and identify and coordinate opportunities for collaboration between local and international research partners. The institution focuses on several blue economy research development areas, including specific strategies and case studies, socio-cultural issues, ocean governance and ecosystem change and modelling.

As a result of Seychelles’ adoption of the blue economy concept, one of the fundamental changes in perspective being projected to the world is nation’s transformation from being viewed as a small island developing state (SIDS) to a large blue oceanic economy, with diverse and ample maritime resources for sustainable exploitation and development. Making this shift will require significant investment, trained and able human resources as well as an intense national focus on related research, science, technology and innovation in full recognition of SDG 14: To conserve and sustainably use the oceans, seas and marine resources for sustainable development.

The progression of this pillar is highly dependent on skilled human resources in the science and technology domain. It can be considered to be of strategic importance therefore to build a pool of home-grown expertise in the relevant STI areas of interest. This can be achieved through strengthening the current education system, particularly in the STEM-related disciplines. Reviewing the 2013-2018 results of the STEM related subjects for the country's IGCSE examinations (see the table below showing the percentages of students attaining grade C or better) show poor performance in STEM subjects. These results suggest that prioritisation and additional resources are needed to boost the educational outcomes in these subject areas.

Percentage of students attaining grade C or better (%)

	2013	2014	2015	2016	2017	2018
Biology	27	34	41	44	42	40
Chemistry	30	30	40	38	40	46
Physics	30	25	32	41	42	30
Combined Science	2	5	10	5	17	19
ICT	30	29	34	42	35	33
Mathematics	34	27	35	34	41	49

Table 3: Trends in grade C or better for STEM related disciplines in IGCSE subjects

In 2014, an 'ICT in Education' strategy was established, however its implementation has thus far been relatively weak. The school curriculum ensures delivery of basic digital skills, being offered as a subject to pupils of Secondary one to three, and thereafter becomes a compulsory undertaking for students in the academic route in Secondary 4 and 5. Moreover, several other factors have an impact on learning. This includes limited teacher capacity in schools as well as internet capacity. However, over the last two years the internet capacity has improved considerably, particularly after agreed terms for Internet Service Provider, which set out to free provide internet access to all schools. The main provider being the Seychelles Cable Systems Company which caters for the provision of the bandwidth, whereas three providers namely Cable and Wireless, Airtel and Intelvision cater for service delivery each for a particular set of schools. In addition, there exists weak education-industry linkages which precipitate a mismatch between the supply and demand of advanced digital skills.

STI has the potential to serve as a catalyst for the development of all sectors, hence its prominent role in the NDS. Strategic concerns such as funding and the role of appropriate research and development stand to be addressed in the coming years. However, not enough is happening in research and innovation, despite progress in income and education standards. Despite the fact that there are a large number of national and sectoral policies, which implicitly promote STI, such as fisheries, agriculture, health, ICT, SMEs, industrialisation, tourism, etc.

GOALS AND STRATEGIES

GOAL 1: AN ENABLING ENVIRONMENT FOR RESEARCH AND DEVELOPMENT

This goal focuses on enhancing the current environment for the promotion of research and development within the country. R&D is vital for obtaining new knowledge and for the seamless integration of new and relevant technologies within our society. In addition, appropriate research can aid in the formation of sound policies for the betterment of the people.

Strategies

1.1: Incentivise relevant stakeholders to promote a research culture.

Provision of incentives to relevant stakeholders for R&D purposes can act as a motivation and a catalyst in fostering a research culture across all sectors. The promotion of such a culture can serve as a tool for policy formulation and to ensure aid in informed decision-making across all levels of government. The achievement of such a strategy would require the development of a National Innovation System which would provide people, enterprises and institutions access to technology and information which is essential to innovation on the national level.

1.2: Facilitate the creation of incubators.

The creation of incubators for business and technology would facilitate new and start-up businesses to build the necessary capacities in an effort to increase their survival rate. Such an institution would provide services such as management training and office space. Incubators are regarded as a key driver for national economic development.

1.3: Facilitate the creation of a physical and virtual co-working space (OASIS). This is primarily aimed at attracting talents, knowledge and skills in an effort to build networks globally. This could instill an innovation and entrepreneurship culture within our society which could help address the problems faced by our small island state. This will further allow more investment opportunities and new start-ups.

GOAL 2: A KNOWLEDGE-BASED, INNOVATION-ORIENTED ECONOMY WITH THE INTEGRATION OF STI ACROSS ALL SECTORS AND PROGRAMMES.

The attainment of an economy which is characterised by the recognition of knowledge as a source of competitiveness and the increasing importance of science, research, technology, and innovation in knowledge creation. It is also characterised by the use of computers and the internet to generate, share, and apply knowledge. Hence, with this goal, Seychelles aims towards a higher dependency on knowledge, information and high skill levels.

Strategies

2.1: Engage a wide proportion of the population, especially the youth, as innovators and end-users of relevant and appropriate STI for Seychelles. Successful attainment of Goal 2 requires a sharp penetration of science, research, and technology in all sectors. The education system can be utilised as a starting point for such an infiltration by increasing the number of STI-oriented programmes being provided at school level.

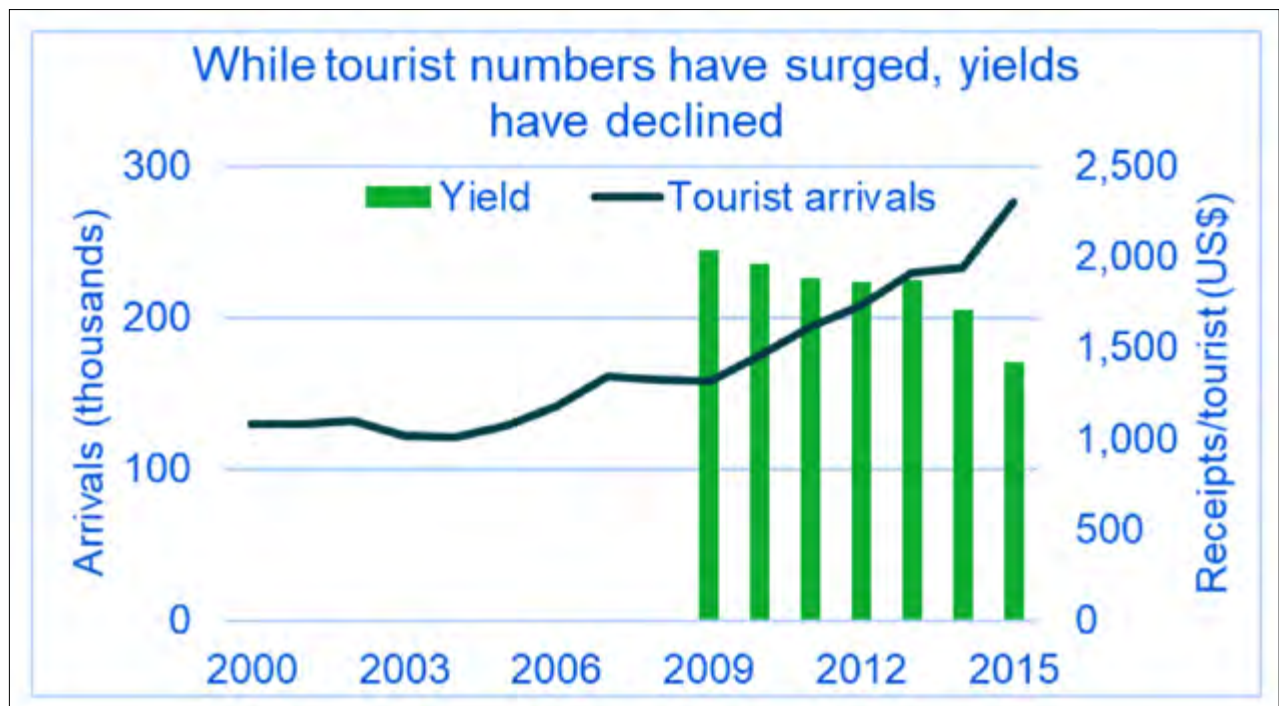
Key indicators and targets

Science, technology and innovation for development			
Indicator	Data source	Baseline	Target
GERD as a percentage of GDP	NISTI	0.4% (2017)	1.5%

PILLAR 5: ECONOMIC TRANSFORMATION

Economic transformation emphasises the progression of economic activities and resources from low-productivity to high-productivity activities within and across all sectors. Such movement of resources is a key driver of economic development. Within sector productivity, growth entails the adoption of new technologies and management practices that increase the efficiency of production. It can come about as a result of the increased efficiency of existing firms or as a result of the reallocation of resources away from the least productive firms towards more productive firms. Economic transformation can be measured through production or value-added measures.

From the extensive consultations with relevant stakeholders, it became clear the economy needs to undergo a process of transformation for the successful achievement of Vision 2033. Since attaining its independence, Seychelles has transformed from a plantation-based economy to a service-based economy. In moving from agriculture to tourism, Seychelles' rich environmental endowment was utilised in a different way. Tourism currently accounts directly for about a quarter of GDP and employment. Seychelles has developed a strong tourism brand that places the country at the high end of the global tourism market. Below depicts the inverse relationship between the number of tourist arrivals and tourism yields between the periods of 2000-2015.



Source: World Bank staff calculations based on National Bureau of Statistics and World Development Indicators data

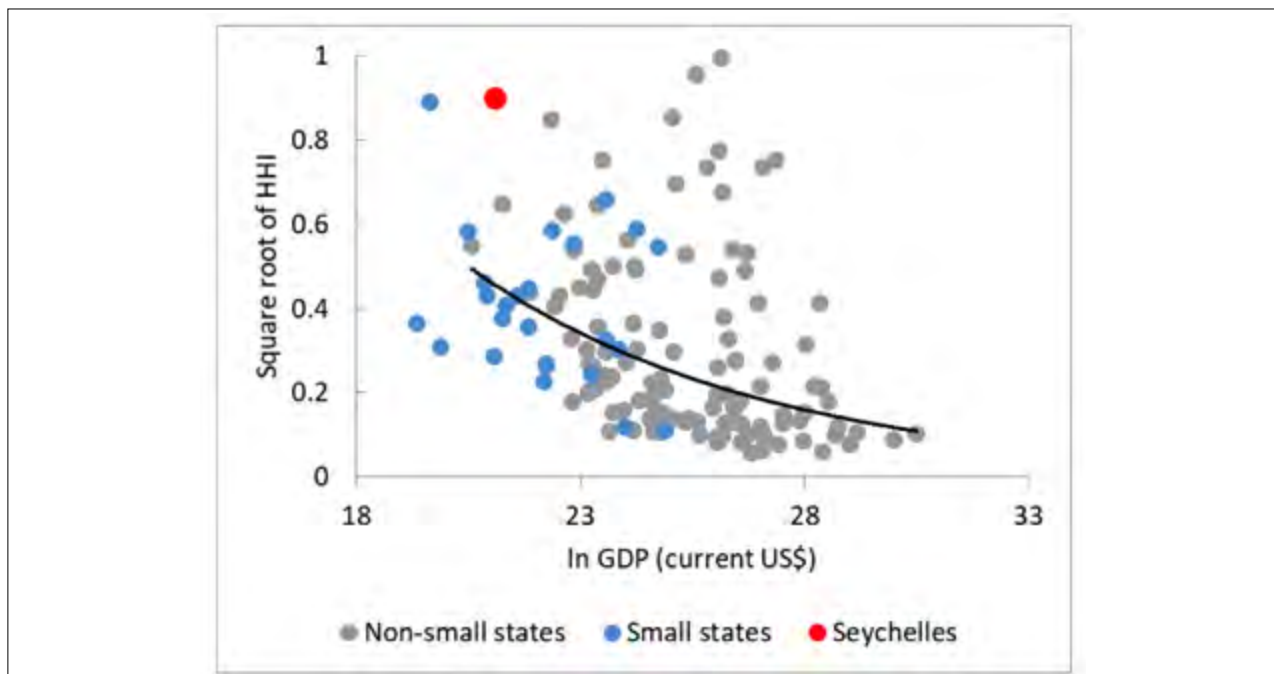
Overall, the service-based sector of the economy accounts for about three quarters of GDP. Industry contributes almost all of the rest of output, mainly fish processing (a tuna cannery is the largest single employer on the main island of Mahé). In addition, utilities and construction account for approximately five percent of output.

Growth has been factor-driven through high investment and, increasingly, imported labour, with only moderate increases in overall productivity. If this continues, maintaining current growth rates will require ever-increasing resources. Therefore, there is a need to shift to a more productivity-led growth model. Seychelles is now a high-income economy, and for these economies, long-run growth is based on productivity gains and increased diversification.

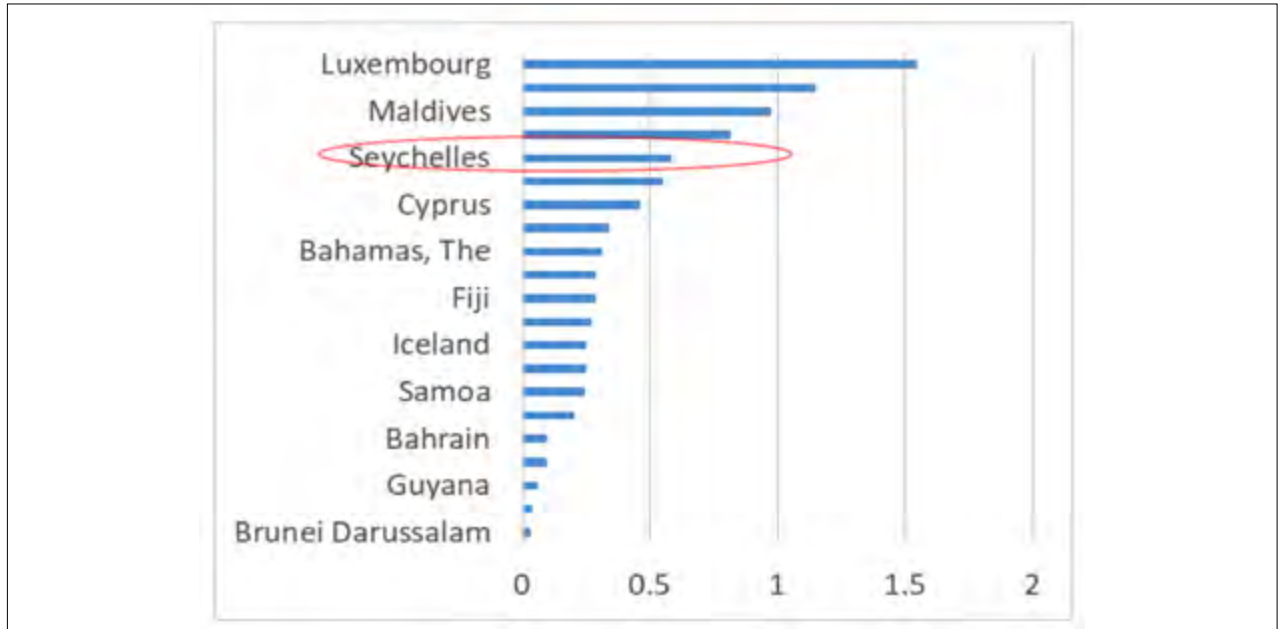
Moreover, Seychelles exports few products – mainly canned tuna – and its service exports are relatively large for a small island state due to the economy’s dependence on tourism. The main area for prioritisation for this first NDS will be to ramp up our import substitution strategy.

Over the past few years, tourism numbers have boomed, due mainly to Seychelles tapping into new markets and rising airline connectivity. The figure below illustrates the status of Seychelles on the global export market.

SEYCHELLES HAS ONE OF THE MOST CONCENTRATED GOODS EXPORT BASKETS...



Source: UN COMTRADE data

...BUT DUE TO TOURISM, SEYCHELLES' SERVICES ARE LARGER THAN AVERAGE FOR SMALL STATES

Source: WDI data

The Seychelles EEZ spans an area of approximately 1.4 million km² and thus fisheries is a vital component in the economy of the country. It provides a source of employment, contributes to food and nutrition security, generates income, trade and foreign exchange and government revenue. The fisheries sector is one of the most important pillars of the economy, alongside tourism. With more than 65 percent of the fish landed in Seychelles being immediately transhipped for processing in other countries, there is scope to significantly increase the sector's value-added contribution and a need to place fisheries on a more sustainable footing to ensure a secure supply for future generations.

In transforming our economy, the aim is to sustainably exploit this abundant natural resource to its full potential. The blue economy concept, although new to many, represents a potential area for beneficial gains to the Seychelles. The ocean brings untapped development opportunities for our people, as well as the responsibility for protection of our marine and coastal resources. The fundamental principles of sustainability and climate resilience are consistent with Agenda 2030 and the Paris Agreement on Climate Change Seychelles signed in 2015. The blue economy is about increasing human wellbeing through ocean-based sustainable development practices.

Infrastructure investment needs are large, including in electricity, water, sanitation, the port, airport, road network, urban development, land, and second undersea cable. Many of these investments will go towards the replacement of obsolete infrastructure, such as that of the port and the electricity grid.

The fast spread of digital technologies throughout the world, such as the current "Industry 4.0" trend towards industrial automation, digitalisation of machinery and artificial intelligence, is reshaping production processes and business models with important implications for the economic transformation of the country. Technology helps boost both labour and capital productivity and facilitate connections. In order to maximise the potential of digital technology for economic transformation, policy makers must proactively adjust the infrastructural, regulatory and policy framework.

The ICT sector in Seychelles is a relatively small but well-established one. Multiple successes have been achieved in the ICT domain over the years, through the four established operators in collaboration with government. Some of the successes include the international connectivity of Seychelles through the submarine cable since the year 2012 through a public-private partnership (the SEAS consortium), and the recent decision to install a second fibre optic cable for redundancy purposes. A critical factor of these successes has been the continuous efforts of government to ensure

effective regulation of the sector. However, Seychelles still lags behind its peers in some areas, particularly in the area of affordability of voice and data services on mobile networks. Seychelles would benefit in increasing its competitiveness regionally and globally to address these issues.

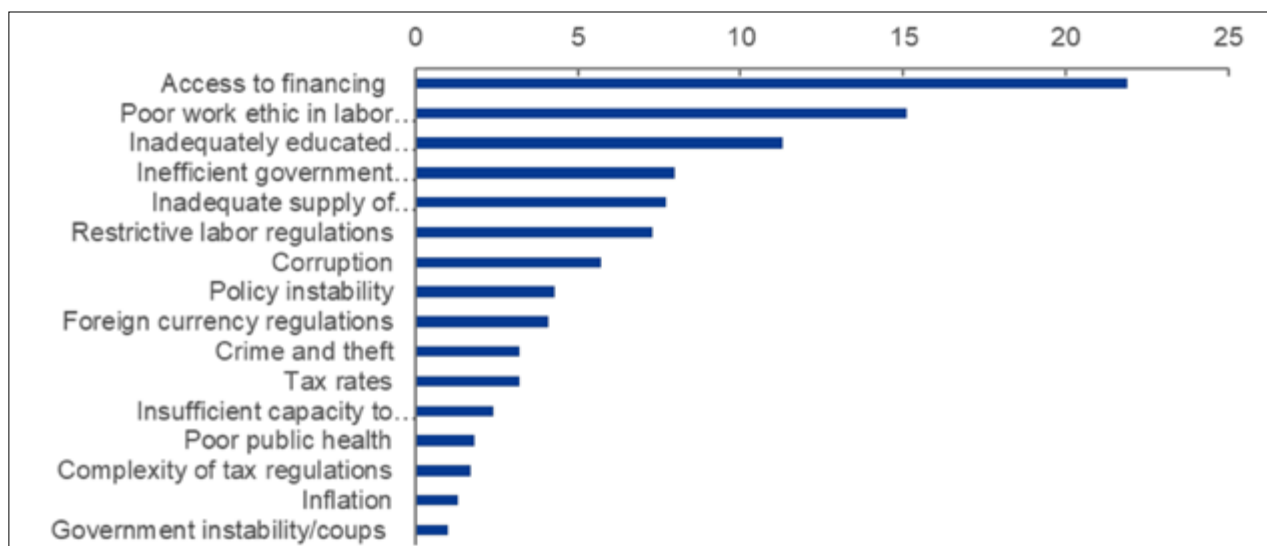
Seychelles aspires to become a potential financial technology (FinTech) hub. The creation of a critical mass of FinTech start-ups creating a strong ecosystem for innovation. FinTech is defined as the use of necessary technologies in the financial services industry to enhance operational and customer engagement capabilities by leveraging analytics, data management and digital functions. The FinTech agenda is being led by a partnership between the Central Bank of Seychelles, the Financial Services Authority and the Ministry of Finance, Trade, Investment and Economic Planning. With the assistance of the World Bank Group, a national coordinated strategy is currently being drafted, in addition to the enabling regulatory framework. Seychelles’ FinTech agenda is in its infancy stage and effort is being made to develop it further. This may serve as an avenue for new economic and investment opportunities.

Additionally, the domestic private sector in Seychelles remains small, which points to persistent constraints that limit opportunities. One of the major impediments is the ease with which one can start and operate a business. There is therefore a need to improve the enabling environment for the private sector. Evidence from business surveys and international benchmarking shows that businesses in Seychelles face significant operating challenges that government policies and improved regulations can tackle.

In particular, micro, small and medium-sized enterprises (MSMEs) play an important role in the development of the economy. MSMEs represent the main source of new business start-ups, and they have great potential to contribute to economic growth and innovation. It is thus important to address the areas of constraints to enable their full development.

The graph below shows the most problematic factors for doing business in Seychelles.

WEF survey results: the most problematic factors for doing business



Source: WEF

Developing countries and regional and global institutions have increasingly focused on economic transformation towards greater productivity and higher value activities. All this is in line with the SDGs, which ensures that no one is left behind and all parties work together to reduce poverty and increase the prosperity of a nation. Goal 9 calls for countries to build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation while Goal 17 identifies technology and international cooperation as important means of achieving and implementing the goals of the 2030 Agenda. As part of its Aspiration 1, Agenda 2063 calls for African economies to be transformed structurally to create growth, decent job and economic opportunities for all. Vision 2033 is in line with these international commitments and in choosing economic transformation as one of the pillars, these commitments were strongly recognised.

GOALS AND STRATEGIES

GOAL 1: A CAPABLE GOVERNMENT ABLE TO FACILITATE SOCIOECONOMIC TRANSFORMATION.

Proper macroeconomic management is essential for creating a stable and enabling environment for socioeconomic transformation driven by the private sector and other stakeholders. Macro maintenance is important to further reinforce the prudent approach to fiscal management achieved since the 2008 crisis. The goal places emphasis on public financial management (PFM) as a strategy to improve the functionality of the government. In order to achieve Vision 2033, significant reforms will have to be undertaken to ensure a conducive environment for all economic agents, particularly for MSMEs, and improve our ranking on the Ease of Doing Business index by 2033.

Strategies

1.1: Establish appropriate legal, regulatory and policy frameworks.

This strategy aims to modernise laws and regulations, improve capacity for policy development in ministries and agencies, address capacity constraints in the drafting and enacting of new legislations and streamlining bureaucratic processes. This revised framework will provide clarity, consistency and certainty in the regulatory environment. It will help in encouraging, rather than hindering, economic activities and ensure a facilitating policy, regulatory and institutional framework for economic development.

1.2: Develop a strong infrastructure which will contribute to the socioeconomic development agenda.

High-quality infrastructure contributes to social and environmental goals, by improving access to public services, reducing negative environmental impacts and supporting the sustainable use of natural resources. Seychelles will require excellent infrastructure to achieve its goals of socioeconomic transformation. It is particularly crucial as the nation is highly dependent on tourism and aspires to become a leading blue ocean economy within a generation. Improvements to transport, telecommunications, water supply and roads would help to integrate economic activities across its various islands and with global markets by enhancing the efficient movement of people, goods, services and information.

1.3: Promote efficiency, access and participation through the digitisation of the economy.

The introduction of FinTech in Seychelles would serve to place the country in a more competitive position. The operationalisation of FinTech will bring about several benefits, including enhanced and more tailored banking services with possible decrease in transaction costs and higher compliance standards to ensure that the jurisdiction remains internationally credible and whitelisted.

GOAL 2: THE STRENGTHENING OF EXISTING ECONOMIC SECTORS FOR HIGHER RETURNS AND SUSTAINABILITY.

As the main pillar of Seychelles' economy, we recognise the importance of the tourism sector as well as the other major sectors and the critical role they play in the Seychelles' economy. This goal focuses on improving and strengthening these industries while simultaneously encouraging sustainable and environmentally-conscious practices and the amelioration of yields through greater value addition.

Strategies

2.1: Promote high value products that are able to compete on the global market.

This strategy aims to continuously promote existing sectors of our economy while embracing new technology through the use of ICT in the tourism sector, and improving value addition by promoting linkages with local producers across various industries. Sustainability issues will be given due priority by providing support to ensure certification and expansion of the sustainability label in the different industries.

2.2: Promote greater economic resilience in key areas in which we have comparative advantage.

As a small island nation, we are most vulnerable to external shocks on the global market. This strategy aims to encourage local production for local consumption. Import substitution will help in generating employment, reduce foreign exchange demand and make the country more self-reliant in critical areas such as food security. Areas in which Seychelles has a comparative advantage are: coconut products, vanilla, cinnamon, and common local fruits and vegetables.

Key indicators and targets

Economic transformation			
Indicator	Data source	Baseline 2018	Target
Real GDP growth	National Bureau of Statistics	3.6%	4.0%
Debt-GDP ratio	Department of Finance and Central Bank of Seychelles	58%	41%
Ease of Doing Business	World Bank	Score 62.41, Ranked 96/190	Score 67
Inflation rate	National Bureau of Statistics	3.7%	3%

PILLAR 6: ENVIRONMENTAL SUSTAINABILITY AND RESILIENCE

Although having been termed a “large ocean state”, the fact remains that Seychelles is one of the smallest countries in the world in terms of both its population, and its land surface area.

Seychelles is recognised as an important biodiversity hotspot. There are many endemic species found nowhere else on earth and as a result, government has showed its commitment towards the protection of the species and their associated habitats. Seychelles was the first country in the western Indian Ocean region to designate parts of its ocean territory as marine protected areas and today more than 50 percent of our land territory is also under legal protection. Additionally, Seychelles has committed to increase significantly its marine protected areas from 0.04 percent to 30 percent by 2020. The health of the ocean is fundamental to the health of Seychelles’ economy, through both fisheries and tourism.

Being a small and isolated island state in the middle of the Indian Ocean, its location, topography and landscape makes the Seychelles vulnerable to environmental challenges such as strong winds, tsunamis, storm surges, extreme rainfall, flooding, landslides, rockslides and forest fires. Frequent flooding is a particular concern, especially around the capital of Victoria and on La Digue and Praslin.

Over the last 30 years, the region has experienced rising temperatures with an average warming of about 0.25°C between 1972 and 1997. The number of warm days and nights is increasing dramatically, while the number of cool days and nights has decreased. Sea surface temperatures have also increased, and as a result of the El Niño weather phenomenon in 1998, 90 percent of healthy coral reefs suffered bleaching damage. Rainfall patterns have also changed, leading to extreme rainfall events. At the same time, droughts are also becoming more frequent. In 2010, Seychelles suffered one of the worst droughts in decades, followed by flooding in 2013. It is projected that the country’s future climate will be characterised by extreme to prolonged dry spells and hot episodes. These extreme climate events may eventually lead to economic losses especially in the fisheries, agriculture, tourism and construction industries.

Seychelles has built a powerful brand linked to the beauty of its natural environment and resources, including its lush tropical vegetation, beaches, and the ocean. It enjoys a longstanding reputation across the world as a country which has successfully preserved its fragile and unique environment. Seychelles was recently ranked first out of 180 countries in the climate change and energy category of the 2018 Environmental Performance Index (EPI). The index ranked 180 countries on 24 performance indicators across ten categories covering environmental health and ecosystem vitality. These metrics provide a gauge at a national level of how close countries are to achieving their established environmental policy goals. The EPI thus offers a scorecard that highlights leaders and laggards in environmental performance, gives insight on best practices, and provides guidance for countries that aspire to be leaders in sustainability.

In the overall EPI ranking, Seychelles has been placed 39th and ranks as the most-improved country over the past decade, rising from a baseline score of 47.05 to its 2018 EPI score of 66.02, equivalent to a jump of 86 places in the rankings. Although we have made impressive headway, it has recorded a drop in performance in certain categories. In the water and sanitation category, Seychelles has descended from 67th to 76th place, and in the biodiversity and habitat category it has fallen by 17 places.



As development continues, there is increasing concern about the sustainability of the resource base of our economy (human, capital and natural). No comprehensive evaluation of the impact of current or projected economic activity on our marine environment has yet been made, and as a geographically isolated small island state, this implies that we are particularly vulnerable to the unknown on all fronts.

Seychelles is highly dependent on imported oil to meet its energy needs. In terms of energy production, a number of renewable energy sources (wind and solar power) have started production in recent years. Although more renewable energy infrastructure is planned to boost green energy production in the future, at present more than 95 percent of the primary energy supply in the country comes from imported fuel, which swallows up around 12 percent of the total government budget annually.

This heavy reliance on imported fossil fuels places substantial pressure on the country’s foreign exchange reserves. This leaves Seychelles extremely vulnerable to external shocks and poses major energy security concerns, both in terms of access to supplies and pricing. In order to improve its economic performance, secure its energy supply and conserve the environment, Seychelles needs to find new ways to reduce its dependency on imported fossil fuels. Seychelles has stepped up its efforts in this regard over the previous years by accelerating the transition to renewable sources of power through the introduction of renewable energy and energy efficiency schemes for domestic homes and the commercial sector, and more recently the adoption of the renewable energy policy.

Given our limited land mass and our mountainous topography, the Seychelles in its entirety is considered a coastal zone. The majority of the country's inhabitants reside along the narrow coastal plateaus of the three main islands of Mahé, Praslin and La Digue and it is there that the majority of socioeconomic activities take place. These activities exert significant pressure on the area, leading to pollution, over-exploitation of resources and coastal degradation, which adversely affect adjacent coastal areas and marine ecosystems. Over the past decade, we have experienced several events which have shown the vulnerability and susceptibility of our coastline and marine resources. The mass coral bleaching event of 1998, caused by a subtle rise in seawater temperature because of global warming, affected a large proportion of coral reefs around the islands. The loss of coral reefs has an impact on the stability of the coastline as well as income opportunities from tourism. The 2004 Indian Ocean tsunami and more recently the tropical cyclone "Felleng" of January 2013 resulted in flooding and landslides in Seychelles, causing an estimated US\$ 8.4 million worth of damages.

Given the vulnerability of these irreplaceable coastal areas and resources to natural factors such as sea level rise and anthropogenic factors such as tourism development, there is a need for effective planning, preservation and sustainable management of Seychelles' coasts.

Another major barrier to the sustainable management of the environment globally is the lack of financial resources earmarked for this purpose. Currently, most of Seychelles' conservation initiatives are being funded through external donors and not directly through the annual budget allocated by the government. Seychelles' move into the high-income country bracket in 2015 means it is now no longer eligible to receive Official Development Assistance (ODA), despite the fact that the economy remains vulnerable to environmental and economic shocks. In the spirit of continuity in implementation, the transition of financing responsibility for environmental programmes from external donors to domestic financing must be efficiently and effectively addressed to ensure a smooth transition that preserves our gains in the environment sector. Should these external funds dry up, this could have disastrous consequences on Seychelles' environmental sector.

The natural environment of Seychelles is very fragile, and any environmental stress arising from local over-exploitation or global phenomena such as climate change is immediately translated into impacts on livelihoods and ecosystem health. This poses a serious threat to Seychelles' narrow-based economy.

Seychelles must therefore diversify its economic activities to ensure global competitiveness while safeguarding the environment and building resilience to external economic and environmental shocks. Environmental and economic sustainability are inextricably linked, and this is nowhere more apparent than in the Seychelles.

Steps have already been taken to preserve the natural endowments of the country. The government has imposed a moratorium on the development of large tourism establishments with 20 rooms and above until 2020, in response to concerns about the impact of the recent rapid pace of development.

In the industrial fishing sector, the Indian Ocean Commission has recently placed a quota on the yellowfin tuna catch to protect overfished stocks in the area. To bolster environmental and economic sustainability, the government has embraced the blue economy concept as an organising principle to drive growth further, while not only preserving, but also building, marine resources.

Sustainable development is enshrined in Articles 38 and 40 of the constitution of Seychelles. It pledges the commitment of the Seychellois people to partake in the sustainable economic and social development of the country.

There are many challenges and obstacles facing small island states in reconciling economic and social development and building their resilience in a sustainable manner. Climate change and other closely linked factors, such as water scarcity, pollution, food security and depleted fishing stocks pose serious risks which need to be accounted for. In the face of looming global challenges such as the triple economic, food and energy crises, care should be taken to ensure that the sustainable development concept is well understood to address not only the negative effects of climate change, but also to include social, equity and developmental dimensions, particularly when it comes to the provision of finance and technology. As a country, we need to be proactive and agile when planning and always include the considerations of sustainability and resilience.

The environment sector is so important that it can be regarded as the foundation of the economy on which tourism, fisheries among other key sectors depend. Government considers the environment sector a priority, thus the inclusion of this pillar in the NDS aspires to enhance the resilience of the people and economy and to bring about a change in consumption patterns, promote technological shifts and encourage the adoption of more sustainable lifestyles.

Going forward, Seychelles aims to consolidate its regional and global leadership in the management and sustainable use of its natural resources. As a small island state, Seychelles will continue its stewardship of climate change issues at the local, regional and global level with the plight of small island developing states at the centre of this concern. Seychelles will continue to work together with other nations to access climate finance and explore innovative ways of mobilising public and private sector resources for adaptation and mitigation. This includes support for community-based adaptation planning.

Achieving environmental sustainability and balancing environmental protection and economic development is the major challenge now ahead of Seychelles, but it is a challenge the government is taking on head-first in order to ensure the country continues on its development trajectory. The ultimate objective is to improve the management of sustainable development in Seychelles through the protection of the environment while maximising the economic benefits to be gained from it. At the same time, the objective also remains to adapt and build resilience against both the vagaries of the global economy and climate change for the benefit of present and future generations.

GOALS AND STRATEGIES

GOAL 1: A GLOBAL LEADER IN ENVIRONMENTAL CONSERVATION AND CLIMATE CHANGE RESILIENCE AND EFFECTIVE IMPLEMENTATION OF INTEGRATED, SUSTAINABLE DEVELOPMENT PRACTICES.

Despite its small size, Seychelles plays an important leadership role at the international level, particularly in the areas of environmental governance, climate change adaptation, protection of the marine environment and biodiversity. Recognising that developing resilience to climate change is essential to support a people-centred development strategy, Seychelles must adopt more forward-thinking, innovative approaches to cope with expected climate change impacts. Seychelles is expected to continue to be an active leader and player in regional and international affairs. This will allow the country to forge new international partnerships to exchange information and invest in innovative climate resilient development pathways, technology development and transfers. National policies and institutions will be aligned with needs to build adaptive capacity. Improved access to climate change adaptation finance, information and services, will be supported by leveraged investment in low carbon climate resilient technologies and industries, such as water resource management and renewable energy.

Strategies

1.1 Sustainable management and use of the environment and natural resources.

The government considers the environment as a priority sector and the aim is to ensure that the country's limited natural resources are used in a sustainable way with minimal adverse impacts to the natural environment. It is for this reason that Seychelles has embarked on a process to draft a Marine Spatial Plan (MSP) for the whole of its EEZ, with the aim of protecting 30 percent of the area and to better plan for the various economic activities and sectors. As of 2020 Seychelles will ensure that it has an effective governance structure and framework for the implementation of the MSP.

This strategy focuses on the promotion, coordination and development of an ecologically-balanced natural environment and the gradual reduction of our fossil fuel dependence by promoting renewable energy and energy efficiency.

1.2 Disaster risk management, mitigation and preparedness.

Given the geographic and isolated location of Seychelles, we are highly vulnerable to natural disasters. There is almost total dependency on imports for food consumption and imported oil to meet domestic energy requirements and this makes the country susceptible to global and external perturbations. It is therefore imperative that the disaster preparedness, coordination and response mechanisms are enhanced and a shift from the traditional response to hazard reduction to a culture of mitigation and prevention is adopted.

1.3 Advance understanding, build capacity, mainstream and increase resilience to climate change.

Climate change presents a real and increasing threat to the people, economy and environment of Seychelles. Although much has been done, further and ongoing measures across government and society are needed to adequately address the ever-changing threat posed by climate change.

There is a need for a comprehensive cross-sector medium and long-term planning of climate actions with monitored implementation. Missing interlinkages among sectors in addressing climate change have resulted in some replication of effort. Although Seychelles developed a Climate Change Strategy in 2009, the current development of a comprehensive climate change policy reflects the increasing importance of climate change to the future of Seychelles.

1.4 Improve our energy security and become a resilient economy.

The global use of fossil fuel in energy production has been a core contributor to global warming. Combatting global warming will require a shift towards renewable and greener energy as well as more efficient use of energy. The aim is to support and promote clean, affordable, secure and economically viable renewable energy developments accessible to all and to gradually reduce our dependence on fossil fuel by promoting renewable energy and energy efficiency in Seychelles' low carbon development pathway.

GOAL 2: REDUCE VULNERABILITY TO NATURAL DISASTERS AND CLIMATE CHANGE BY FURTHER STRENGTHENING LAND USE PLANNING AND SECTOR DEVELOPMENT.

Given the limited land mass of the country, it is imperative that there is a robust land use plan in Seychelles to ensure the most sustainable and efficient use of our country's limited resources. This will be achieved through the formulation of land use and development plans that effectively guide and control physical development with due consideration to the pristineness and fragility of our natural environment. The control element is essential to ensure that developments, whatever their nature, are properly planned and implemented, such that the overall character, amenity and integrity of the natural and the built environment are not adversely affected.

Strategies**2.1 Long-term national development and land use management strategy for sustainable land management.**

There is a need for long-term perspective in land use development in Seychelles in view of its critical importance in supporting human development and ensuring the protection of the natural environment. Linked to that is the management of other resources associated with land use. Seychelles will establish a comprehensive approach to sustainable land use and management with stakeholder involvement.

2.2. Reviewing building codes and enhancing their enforcement.

As a small island state, Seychelles relies greatly on its coastal zone for economic development. A large share of the critical infrastructure and housing is located in the coastal zone. In recent years the coastal areas have been heavily impacted by various disasters such as coastal erosion, coastal flooding and a tsunami. Our coastal zones are characterised by sandy beaches and coral reefs, which are vital for the tourism economy but increasingly vulnerable to such impacts and the effects of climate change.

The government of Seychelles will improve building codes and most importantly, ensure their rigorous enforcement. The control element is essential to ensure that developments, whatever their nature, are properly planned and implemented, such that the overall character and amenity of the natural and the built environment are not adversely affected.

GOAL 3: STRENGTHENING OF ENVIRONMENTAL GOVERNANCE AND MANAGEMENT SYSTEMS.

Environmental governance comprises the laws and regulations, rules, practices, policies and institutions that shape how humans interact with the environment. Good environmental governance takes into account the role of all actors in society that impact the environment. From governments to NGOs, the private sector and civil society, cooperation is critical to achieving effective governance and maximum impact that can help us move towards a more sustainable future. Governing our country's rich yet limited natural resources is becoming an increasingly complex challenge, especially in the globalised world of interconnectedness where environmental threats that cross political borders such as air and ocean pollution or invasive alien species is becoming more challenging to manage and control. They therefore require new global, regional, national and local responses involving a wide range of stakeholders. In order to find solutions to these increasingly complex challenges, it is important to strengthen the institutional and governance framework for environmental management.

Strategies

3.1 Improve governance and regional and international cooperation.

Currently, comprehensive policy and legislative frameworks exist to address the various issues affecting the environment sector. However, not all policies are being fully implemented due to limited capacities and resources, while others are outdated and not relevant to actualities of the country. Seychelles has shown its commitment to environment protection by becoming a signatory to various international and multilateral environmental agreements, but there are still shortcomings in ensuring domestication, compliance and maintaining proper reporting requirements.

3.2 Develop and improve leadership capacity across public and private sector institutions.

Poor coordination and collaboration between government agencies was noted as a major barrier to effectively developing and implementing policies and laws. This strategy aims to mainstream environmental sustainability issues in the decision-making process and to build capacity across government and the private sector alike.

Key indicators and targets

Environmental sustainability and resilience			
Indicator	Data source	Baseline 2018	Target
Environmental Performance Index	Yale Center for Environmental & Policy	Score 66.02, Ranked 39/180 countries	Score 70.0
Ocean Health Index	Ocean Health Index	Score 77 (2018)	80
		Ranked 33/221 EEZs (2018)	30



CHAPTER 3: IMPLEMENTATION

3.1 Introduction

This chapter highlights the implementation strategy and prerequisites for the success of the NDS. Based on the aspirations of greater openness, stronger inclusiveness and better accountability, the success of the strategy will depend on political will and commitment, ownership by all, and implementation through a coordinated and integrated approach.

The implementation strategy, therefore, establishes the roles, responsibilities and mechanisms for sector-wide, sector-specific and inter-agency collaboration and coordination to deliver on outcomes and targets. Due to efforts to institutionalise the results-based management programme, the implementation strategy will maximise the use of the existing institutional arrangements and synergies pertaining to PPBB, PM&E, PMS and ICT to achieve efficiency in resource and programme use.

A number of preconditions will be required for the successful implementation of the NDS, beginning with setting the institutional framework for implementation; resourcing the NDS and sector plans; undertaking performance monitoring and evaluation; putting in place management information systems; ensuring performance management behavioural change and capacity enhancement take place and, furthermore, that there is ownership by all. Where necessary, public sector reforms will take place to ensure an efficient, effective and accountable government. A results framework will guide the collection and analysis of data and information needed for the evaluation of national and sector implementation progress and initiate measures to strengthen implementation performance. To ensure accountability, the framework will set the reporting and dissemination mechanisms.

3.2 Ownership of the NDS by all

All citizens must recognize their respective roles for the successful implementation and monitoring of the plan.

Commitment

For the effective and successful implementation of the NDS, a strategic collaboration with all stakeholders is of paramount importance; hence, 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 and at all levels throughout the Executive. If the country's long-term and sustainable development outcomes are to be attained, champions of change and accountability must emerge through a shared responsibility through strategic partnerships with the private sector, civil society, academia, the media and its development partners.

Enabling the private sector

For meaningful implementation of the NDS, Seychelles needs a thriving private sector. Therefore, the country must find new and innovative ways to finance key infrastructural projects, and public-private partnerships (PPP's) are a new approach by which to engage the private sector. However, in order to enable the private sector to play a more active role in the implementation of the NDS and the development of the country, there are still major issues which must be addressed. The most pressing constraints are limited access to finance, in particular by MSMEs; infrastructure gaps, notably in energy but also port facilities; high production costs (labour, utilities and rental) given the small domestic market; and a skills gap, characterised by a mismatch between labour demand and supply.

The government is aware of these constraints and will embark on additional policy reforms to make Seychelles' private sector more vibrant and to diversify the economy in order to increase opportunities for the private sector to be able to participate in. A review will be undertaken to explore how the cost of inputs might be reduced while also enhancing the quality of infrastructure (e.g. broadband). Ideas to be explored might include sharing infrastructure and reducing taxes to ensure the continuous upgrade of crucial infrastructure, or the introduction of other innovative methods and mechanisms. Furthermore, critical reforms will focus on streamlining the bureaucratic processes that hinder business start-ups and operations as a way to ensure that the private sector is the engine for growth.

There will also be reforms in the labour market to further protect the rights of workers while still making it easier for businesses to operate and to grow. Moreover, the reforms will make it easier for prospective workers to access jobs in a flexible way, e.g. facilitating part-time work and supporting mothers in the workplace via childcare support. Additionally, government will formulate and implement policy incentives to address some of the major challenges hindering the private sector, including access to financing, promoting exports and facilitating skills development.

Civil society as an advocate for change

Seychelles has a considerable number of non-governmental organisations (NGOs) operating across many sectors and the government recognises the importance of NGOs in the country's development. As government continues to undertake major initiatives such as public sector reform and many other transformational adjustments to key institutions, civil society will play a crucial role in the development and implementation process. There is a need now to establish the appropriate partnership and collaborative instruments that will facilitate deeper interaction between government and NGOs for a more impactful civil society sector.

Support to NGOs engaged in development efforts

Through this established partnership, government will therefore continue to support NGOs whose programmes and projects are aligned to the development needs of the country. At the same time, the government is currently working on an Official Development Assistance (ODA) Policy with the aim of avoiding duplication of effort and maximising the use of limited resources. The collaboration should also encourage citizens to consider non-traditional, non-duplicative areas in which development interventions are critically needed and where opportunities for growth exist, for example, in the energy sector, the blue economy or in ICT.

3.3 Institutional arrangements

The success of strategic planning requires the establishment of clear, effective and efficient institutional arrangements at varying levels, although the effective ongoing implementation of the Policy on Strategic Planning is primarily the responsibility of each Chief Executive Officer.

Sector-specific issues

Frameworks and institutional arrangements are required at both national and sectoral level to establish roles and responsibilities, set the pace and maintain momentum. They are also essential for monitoring and reporting on sector-specific issues such as governance, tourism, fisheries, private sector, housing, health, education, environment, agriculture, energy, social, financial, transport and infrastructure.

Sector-wide and cross-sector issues

While overall responsibility for the NDS programmes and projects will remain with the ministries, departments and agencies (MDAs) and the Economic Planning Department, a mechanism to take responsibility for sector-wide and cross-sector programmes, especially with regard to the pillars of Governance; People at the centre of development; Economic transformation; Social cohesion; Science, technology and innovation; and Sustainability and resilience, to deliver on some programmes or projects or major components thereof is critical for the attainment of the NDS outcomes and targets.

A central repository

The Economic Planning Department is responsible for the strategic planning portfolio and will therefore be responsible for the implementation of the NDS, its monitoring and evaluation and the reporting thereof to Cabinet, the National Assembly, and to sectors, partners and the general populace. The department will provide oversight and support to all MDAs, assisting them in addressing deficiencies, solving major problems impeding the implementation of the strategy, as well as reviewing performance reports of all MDAs and taking appropriate action to improve on delivery of results. In order to carry out its role to the fullest, support will be given to the Economic Planning Department to strengthen the

economic planning function in Seychelles, and to ensure effective integration with PPBB, PM&E and, over time, PMS to deliver the efficiency and effectiveness gains.

An economic planning policy will be designed, along with the appropriate methodologies and guidelines, to allow the Economic Planning Department to implement 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, sector strategies, and programme strategies. Capacity-strengthening will be given to the Economic Planning Department staff to strengthen the economic planning function, including its role in coordination across government and global knowledge-sharing.

Another important precondition is the need to strengthen the design, implementation and monitoring of sectoral strategic plans. Therefore, the Economic Planning Department will seek support on aspects such as the coordination of the design and implementation of sector strategic plans, the consolidation, validation and integration of these plans into the NDS and quality assurance. The support will also include the development of an integrated high-level monitoring tool for the monitoring of sector strategic plans by Cabinet and Economic Planning, and this support will be provided from a planning, PPBB PM&E and sectoral perspective.

The executive

Principal Secretaries and all other accounting officers in the public service will be required to establish a robust monitoring system within their respective departments and agencies to periodically capture information against the indicators of organisational and sectoral plans. PM&E templates and RBM dashboards will be 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. Ministers are to ensure that a Strategic Planning focal person is appointed in each MDA to coordinate strategic plans and report progress on implementation.

Central coordination - the National Working Group

As the strategies listed in the NDS are to be executed across all sectors, there needs to be a central coordinating mechanism for steering and oversight purposes. To this end, an independent, multi-sectoral National Working Group (NWG), shall be established. Comprised of representatives from the public and private sectors and civil society organisations, the NWG will report to the Minister of Finance, Trade, Investment and Economic Planning. Reporting to the Minister on implementation progress will also include information about the challenges faced, actions taken and being implemented and any pertinent issues that require the attention of the Cabinet.

The primary role of the NWG is to provide oversight and advice on the implementation of the development agenda articulated in the NDS, and will also provide guidance to the Economic Planning Department, which has been mandated to serve as the coordinating unit for the monitoring of the implementation of Vision 2033 and the NDS. The NWG will focus particularly on cross-cutting strategies and projects, while individual sectors can report separately to the NWG on programmes that are purely under their control. It is expected that the NWG will meet four times a year and the meetings will focus entirely on achievement of results and progress towards Vision 2033 goals and outcomes.

Secretariat of the National Working Group

The Secretariat will, through guidance from the NWG, see to the timely preparation and submission of progress reports to the various stakeholders. The submission of an integrated high-level RBM dashboard on the evaluation of sectoral and national strategic plans will be made to the Cabinet of Ministers at mid-term and at the end of each fiscal year when MDAs place requests for budgets. An annual assessment of the performance of an MDA will also be submitted to Cabinet or the National Assembly at the same time for review. The Secretariat of the National Working Group will operate out of the Economic Planning Department.

3.4 The provision and mobilisation of adequate financing

The provision and mobilisation of adequate financing implies adequate resources, effective budgeting and information management systems. It will take into account, projected availability of resources and their efficient allocation.

Leveraging funding

Critical to achieving the NDS goals is the need to leverage funding from all possible sources and adopt prudent and accountable practices that are performance-oriented and results-driven. This should be underpinned by a culture of performance, efficient service delivery and in which implementing agencies constantly strive to achieve meaningful results and positive impacts.

Public-private partnerships

Seychelles' high income status means that the country no longer has access to concessionary lending or overseas development assistance to fill the financing gap for major infrastructure projects. As a result, there is a need to change and innovate the way we operate as a country. A greater role is therefore envisaged for the private sector in the provision of public services. The over-arching objective of the PPP policy is to establish the use of PPPs as an essential mechanism for procuring and financing infrastructure projects and services in Seychelles.

3.5 Performance monitoring and evaluation

This component will support the Economic Planning Department and individual sectors to deepen the design and implementation of performance monitoring and evaluation (M&E). Building on the PM&E policy adopted, the guidelines prepared, the PM&E high-level monitoring template, and the capacity-strengthening being provided, the component will further expand the PM&E rollout through different pilots.

Development of M&E tools

Key tools to be developed include rapid evaluations, including budget evaluations for the PPBB, to initiate the evaluation function. Complementing the monitoring focus introduced in the first phase of the PM&E work, the second phase will introduce the evaluation component. Following the design of different evaluation objectives, tools and types, this activity will support three rapid evaluations of core NDS programmes. The three evaluations will assess the programme implementation and results, and will help showcase the value for evaluations for more evidence-based decision-making and a greater quality of spending. At least one of the evaluations will include a budget evaluation, to build on the PPBB, and seek greater efficiency gains as part of the NDS.

Performance information audits

To enhance the credibility and sustainability of the RBM and PM&E reform efforts, internal and external performance information audits will be introduced for all four pillars to ensure the quality of performance information is available, particularly for planning and PPBB. As all RBM pillars depend on the performance information that PM&E provides, quality performance information will be a crucial success factor for the overall success of the NDS implementation through RBM. This activity will introduce methodologies and tools for developing quality performance information and assessing their quality through internal and external performance information audits that will assess the quality of the indicators and other performance information needed for the strategic plans, the national development strategy, the PPBB and, over time, the PMS.

Leadership and institutional strengthening

Through diagnostic assessments, hands-on tools development, and implementation of support to strengthen the Department of Public Administration (DPA) and Ministry of Finance, Trade, Investment and Economic Planning (MoFTIEP) leadership and institutional strengthening in different sectors, the quality of service delivery and the quality of spending in each of the pilot sectors would be enhanced. At the same time, through an integrated approach, the PPBB rollout

will be strengthened by ensuring effective monitoring and, over time, evaluation of PBB programmes and the strategic plans. This will be done by strengthening the integration and cross-linkages between pillars, for example by introducing budget evaluations for core budget programmes and ensuring sustainability of the PM&E and broader RBM reform agenda.

3.6 Strengthening and innovating public service management

A national and international diagnostic survey of the performance of the public service will be conducted and will analyse different dimensions of Seychelles public service influencing its performance, including size, structure, gender, age, educational attainments and public-private comparisons. The survey will also benchmark Seychelles' performance against that of other comparator countries. Building on the public service diagnostic, focus will be placed on core issues facing public service management to ensure Seychelles uses its public service most effectively to achieve its national goals and the vision to which it aspires.

Assessing the role of DPA

The work envisaged will be complemented by tailor-made, diagnostic surveys of key stakeholders on public service management in Seychelles, including an assessment of the role of the Department of Public Administration (DPA) in public service management and a RBM reform management role. The role of the DPA will be reviewed, and institutional strengthening provided to move it into a new landscape.

Performance management

The diagnostic survey will enable the design of a new performance management policy, standards and manual, aligned with the other RBM pillars. This will include various human resource mechanisms for staff appraisals, performance contracts and 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, support will be given to The Guy Morel Institute (TGMI) to develop a menu of capacity-strengthening tools, and coaching to accompany the rollout of the new performance management model.

3.7 Enhanced use of ICT

ICT is the core foundation of all four RBM pillars, helping to make the performance data across all the pillars available for improved evidence-based policymaking to help deliver services that are cheaper, faster and based on better information.

RBM dashboard

A first step towards greater e-government services would be improved integration of government databases so as to develop an e-RBM dashboard to facilitate evidence-based decision-making. A baseline diagnostic of the use of ICT in Seychelles will be conducted through a two-pronged approach, (i) analyse ICT sector progress, challenges and opportunities, including the benchmarking of Seychelles' ICT sector against that of other countries, and sharing of international experiences and their relevance to Seychelles; and (ii) conduct a specific diagnostic for the RBM dashboard, including a survey, review of key sector data availability, databases and integration in the pilot sectors.

ICT policy capacity-strengthening

This will be followed by the e-design of a new ICT policy and elaborate a manual with core standards and guidelines, followed by capacity-strengthening to DICT on the design of the dashboard, including advice on the core functionalities, modules, requirements, interoperability, and whether the development of the dashboard should be in-house or out-sourced. Capacity-strengthening will also be provided to the RBM planning, PPBB, PM&E and PMS teams in MoFTIEP

and DPA to help develop, validate and use the dashboard while support will be sought for the implementation of the Open Government Partnership in Seychelles, with a focus on ICT transparency commitments.

3.8 Behavioural change and capacity strengthening

Capacity constraints

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 require significant investment, as well as the building and strengthening of our institutional and technical capacity and developing human resource capacities at all levels to sustain our efforts. Internal capacity-building is needed to manage the RBM needs by managing talent and training public sector employees to respond to changing ways of working, improving performance and managing customer needs.

Behavioural change

Carrying out results-based, public services calls for multi-level transformation to change the way MDAs think and act, how they view their changing roles, and how information is used and shared between MDAs, especially for the successful implementation of the NDS. 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 technologies, in order to create empowered institutions responsible for customer-centred services.

3.9 Information, communication, consultation and participation

Communication

Continuing the participatory process will therefore be crucial for widespread understanding, support and collaboration. The formulation of the NDS is not the end of the participation process, but rather a new beginning. It is important to communicate the vision and NDS at the start of the process to build ownership and buy-in from the sectors as well as the general public. The outreach and engagement to the public will be continuous. The building of national consensus and ownership is something that will be an ongoing effort. This concept is new for Seychelles and it is one of the changes that must become an integral part of the planning and implementation of the NDS.

A communication plan will be developed and various tools will be produced toward the implementation of the plan, including video documentaries of the national vision and strategy. The current participatory and stakeholder engagement process will be transformed into a permanent platform and model for dialogue across the country. This will be undertaken by means of workshops and dialogues between the government and key stakeholders. Communication will be a key element for ensuring ownership of the plan and commitment to its implementation. 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.

Information dissemination

The communication plan is needed to ensure timely information on the implementation of the NDS is communicated to all stakeholder across all sectors. A comprehensive and long-term communication strategy is needed to ensure maximum outreach to stakeholders. The objective of this is to ensure that everyone is engaged in the NDS and be aware of its progress all the time. It will also aim to encourage more participation through dialogue such as the private sector forums. The Vision 2033 coordinating unit (Department of Economic Planning) is expected to produce a range of information and products suitable for different audiences and purposes.

The secretariat will design an overall information dissemination strategy that will actively share these products with the intended users including civil society organisations. It is hoped that the strategy will lead to enhanced understanding, participation and ownership from the stakeholders and the general public with regard to the NDS and its implementation.

Consultation and participation

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.
- Community involvement in information gathering e.g. through surveys.
- 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.

3.10 Public sector reforms

Emphasis will be placed on reforms to ensure constant progress towards the realisation of Vision 2033. A key aspect of this will be the setup of a Vision 2033 Reform Committee. This committee will be a subset of the NWG and will focus on designing a reform agenda for the nation and will facilitate the inter-sectorial coordination of the implementation of the reform agenda. It is crucial that stakeholders are involved in this process. The committee will produce regular biannual reports on the implementation of the NDS as well as a reform agenda.

3.11 Conclusion

The successful implementation of the National Development Strategy 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. Going forward, a results-focused measurement and evaluation framework will be the basis for achieving the targets set. Moreover, given the long-term nature of the strategy, NDS 2019-2023, will remain a “live document” with revision of the targets as appropriate.



CHAPTER 4:

**MACROECONOMIC
AND FISCAL
CONSISTENCY
OF THE NDS**

4.1 Introduction

In order for the NDS to be robust and grounded in reality, consistency with macro fiscal programming needs to be ensured. This chapter summarises macroeconomic projections for the NDS period and links the NDS to the macro fiscal framework.

4.2 Current economic conditions and macroeconomic projections

2018 was economically stable and the end-of-year real growth was 3.6 percent. The tourism sector and the ICT sector contributed to growth, as did the food manufacturing sector, which performed well despite the imposition of the yellow-fin tuna fishing quota.

In 2019, real GDP growth is estimated at 3.4 percent – a slight slowdown, upheld by steady tourism and ICT growth, sustained ICT growth and a more positive uptake under the construction sector. Growth in the food manufacturing sector is also expected to remain resilient. In the medium term, Seychelles' economic performance is anticipated to remain stable with growth averaging around 3.5 percent. This is conditional on stable domestic and international variables, which mainly include changes in fuel and commodity prices and any major crisis in key markets. Medium-term growth will be mainly driven by tourism, ICT, financial and insurance activities as well as the manufacturing and the wholesale and retail sector.

Investment will also be on a generally positive trend, with the strong, projected increase in private investment over the NDS period mainly attributed to activities related to the blue economy and services. The table below summarises three macroeconomic indicators over the NDS period.

Key indicators and targets

Indicator	Baseline	2019	2020	2021	2022	2023
Real GDP growth (%)	3.6	3.4	3.3	4.1	4.0	4.0
Gross investment (% of GDP)	28.1	27.9	29.2	31.5	32.1	31.5
<i>Public investment</i>	7.2	5.4	5.2	6.1	6.4	6.5
<i>Private investment</i>	20.9	22.5	24.0	25.4	25.7	25.0
Unemployment rate (%)	3.5	<3.5	<3.5	<3.5	<3.5	<3.5

Source: (Modified from the Budget Strategy and Outlook 2019, IMF Second Review Policy Coordination Instrument (PCI) January 2019, and MoFTIEP projections).

4.3 Fiscal position

Over the past decade, and since the inception of the Economic reform programme backed by the IMF, fiscal policy has targeted primary budget surpluses, with the main aim of reducing unsustainable public debt levels which saw highs of 130 percent in 2008. The government is therefore focused on reducing the debt to sustainable levels, with a target of 50 percent to be reached by 2021. To that end, fiscal policy has been tight, with primary surplus targets of about three to four percent set on average since 2010. This has been facilitated through comprehensive tax reforms to consolidate and broaden revenue collections, and expenditure rationalisations to improve efficiencies and lessen pressure on recurrent spending.

Below is a chart showing the fiscal position as of end of year (EOY) 2018.

DESCRIPTION SCR '000	2018 (EOY)	2019 Budget	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Revenue & grants	8,787,545	8,948,880	9,128,030	9,546,942	10,014,785	10,511,459
Primary expenditure	7,645,626	8,359,329	8,494,734	8,870,040	9,306,298	9,756,302
Primary balance:	657,154	589,551	633,296	676,902	708,487	755,157
% of GDP:	3.0	2.5	2.5	2.5	2.5	2.5

Source: (Modified from the Budget Strategy and Outlook 2019 and MoFTIEP's projections).

Going forward, the surplus target is set at 2.5 percent of GDP. This represents the required level of effort needed to honour debt obligations, lower the debt stock and ensure sustainability over the medium term. The other key priorities for the government will be to consolidate social programmes, invest in infrastructure to support economic growth, and invest in programmes and projects that will improve the lives of all citizens.

For 2018, the primary surplus remains at three percent of GDP, which is equivalent to SCR 657m.

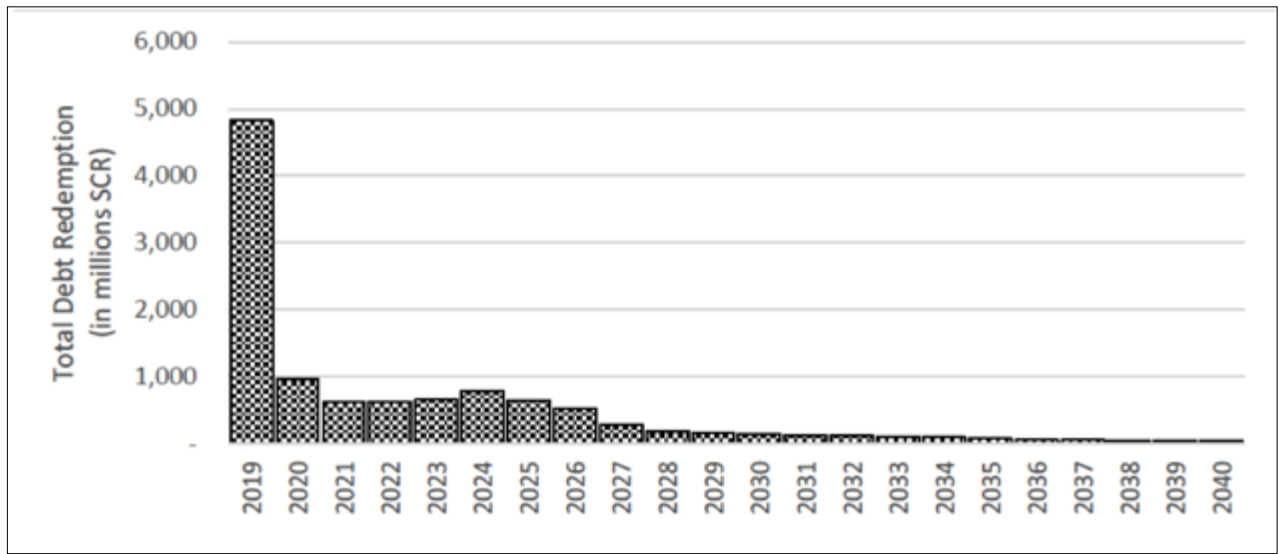
4.4 Debt management strategy

Since 2008, the government has made significant progress in reducing the level and structure of its public debt. This remarkable achievement was mostly attributed to the 2008 debt restructuring programme, whereby some Paris Club creditors including Malaysia and South Africa, agreed to write off 45 percent of Seychelles' outstanding debts. The remaining bilateral creditors, commercial banks and private creditors agreed to provide comparable debt service relief which has helped to alleviate the repayment burden over the subsequent years, enabling the government to service its debts without accumulating payment arrears. The table below summarises the projected debt to GDP ratio over the NDS period.

Indicator	Baseline	2019	2020	2021	2022	2023
Debt (% of GDP)	58%	59%	55%	50%	46%	41%

Source: (Debt Management Strategy 2019 and MoFTIEP's projections).

The debt redemption profile below shows the total principal payments falling due each year over the life of the portfolio. About SCR 4.8 billion of debt is expected to fall due in 2019. This is attributed to the high share of treasury bills within the debt portfolio which are short term instruments, with maturities of one year or less (91-day, 182-day and 365-day bills). These are rolled over using new treasury bills of similar maturities. The redemption profile for the total debt from 2020 to 2040 closely mirrors that of the external debt profile.

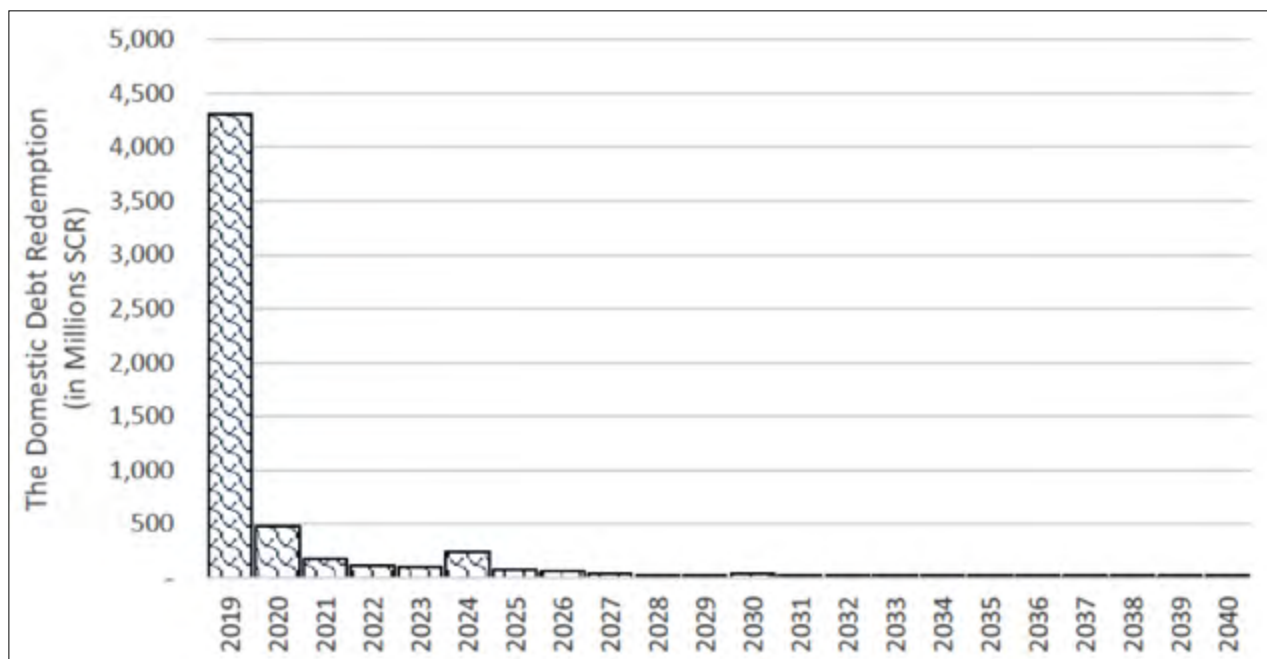


Source: (Debt Management Strategy 2019).

The graph below shows the domestic debt profile specifically. As mentioned above, a large proportion of the domestic debt stock (72 percent) is expected to mature in 2019. This is an indication of a relatively high rollover or refinancing risk. However, given the current stable macroeconomic conditions, most of these debts are expected to be rolled over. In order to mitigate future exposure to refinancing risks, the government is making plans to issue bonds in order to gradually extend the maturity of the domestic debt portfolio. The risks implied by the current domestic debt structure is not a new challenge and is in part attributed to the distortion between domestic and external debt maturity structures. Moreover, given the specific characteristics and challenges of the economy, the ability of raising external debt has been perceived as a key indicator of post-reform success, with the causal impact being the gradual domestic debt retirement following sustained surpluses of government.

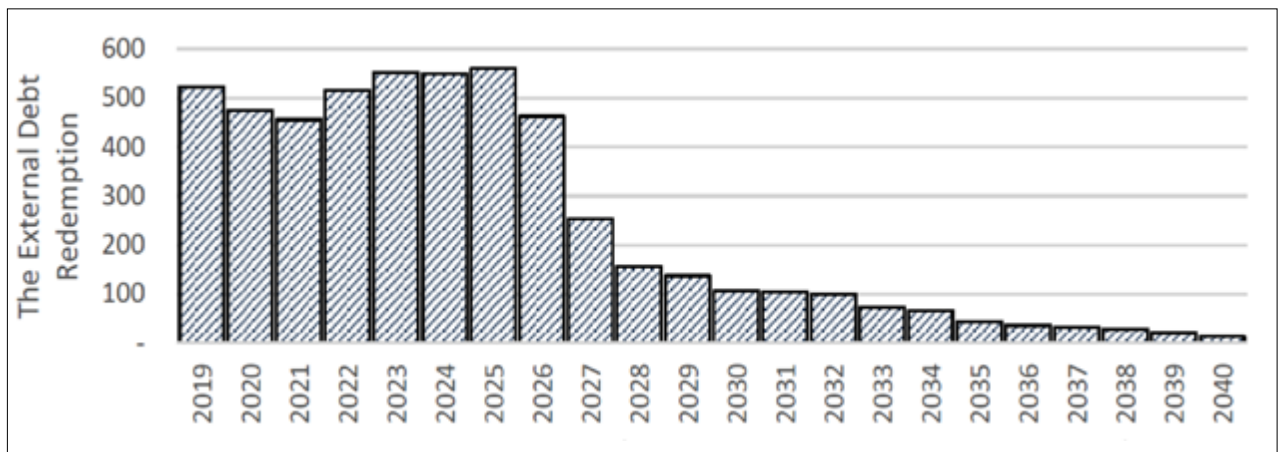
Nevertheless, the adopted strategy imposes additional challenges, key among which is the future development of the domestic yield curve. Financial institutions, including banks, require benchmark pricing over the short, medium and long term, with government debt instruments such as government bills and bonds providing indications of the risk-free rates across the aforementioned terms given optimal conditions. Thus, the current structure not only imposes high rollover risks but also creates future constraints on the mobilisation of private sector investment and savings levels and prices.

For 2019, fiscal support is expected to be maintained for the issuance of debt for monetary policy purposes, albeit at a declining monetary value. Nevertheless, while the implementation of the Monetary Policy Rate by the Central Bank in January 2019 is expected to reduce volatility levels – and potentially the government’s rollover risk – pricing challenges remain and require sustained effort for long run improvements. In the short term, the success of maintaining domestic price stability is fundamental and this cannot be achieved without continued fiscal support. In the medium to long term, developing the domestic debt market would not only anchor conditions and expectations for price stability, but also for private sector-led economic growth.



Source: (Debt Management Strategy 2019).

The graph below shows the external debt profile, showing that about 10 percent of the country's total external debt is expected to mature in 2019, indicating low refinancing risks. The total principal repayments are expected to decrease gradually from 2019 to 2021. The increase in debt repayments from 2022, is attributed to the resumption of principal repayments due to Paris Club creditors who participated in the 2015 debt exchange for nature conservation. As the government continues to service its debts, the total repayments are expected to gradually decline throughout the life of the portfolio.



Source: (Debt Management Strategy 2019).

To help achieve the primary debt management objective, the 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 rate of growth of public debt.
- ii. Work toward an optimum structure for public debt that balances cost and risks, including currency mismatch, adverse movement in interest rates, refinancing and operational risks.
- iii. Assist the government in achieving its objective 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 the lengthening of the debt maturity profile.



CHAPTER 5:

FINANCING

5.1 Introduction

This chapter introduces the financing framework. It presents the Medium Term Fiscal Framework (MTFF), the Public Sector Investment Programme (PSIP), the resource envelope and the resource mobilisation strategy.

In line with the NDS's general emphasis on efficiency and sustainability, the financing framework is built on principles of strong fiscal discipline, optimal coordination, and proper alignment with planned programmes. Moreover, since international grants are less forthcoming given Seychelles' graduation to a high income country, the financing framework will also emphasise the need for diversity in financing sources. The financing mix will therefore include mobilising domestic resources through improved tax enforcement, utilising the private sector in the form of public-private partnerships (PPP) and attracting unconventional foreign capital (e.g. blue bonds, venture capital), among others. Engagement with international partners to obtain grants and technical assistance will also be explored.

Furthermore, the financing framework takes equity and socioeconomic development seriously.

5.2 Medium term fiscal framework (MTFF)

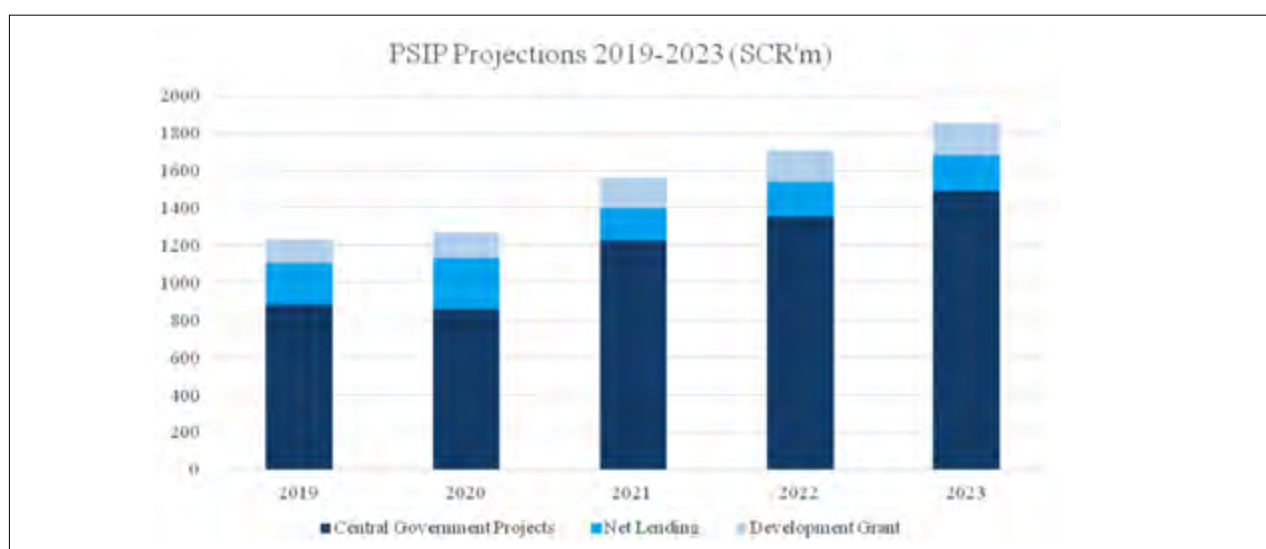
The MTFF was introduced as part of the 2008 reform programme as a tool to improve public financial management. It resulted in the country adopting a medium-term outlook to budgeting (three years), improving the efficiency of government spending, increasing equity of the tax system and enhancing the governance of public enterprises.

5.3 Public sector investment programme (PSIP)

The PSIP is a component of the 2008 reform programme and is the central government's investment programme for a period of three years. The current PSIP covers the years 2019 to 2021 and is estimated at SCR 3.6 billion. Projections into the outer years of the NDS period were made which amounted to SCR 1.7 billion in 2022 and SCR 1.9 billion in 2023.

Central government projects continue to take on the largest proportion of the budget for all five years. Other than this, the budget also provides for financing of investment programmes through net lending and development grants. These twin lines are focused upon funding capital projects of state-owned enterprises, namely the Public Utilities Corporation (PUC), Seychelles Public Transport Corporation (SPTC), and the Property Management Corporation (PMC).

The graph below portrays the trends in the investment budget over the period 2019 to 2023 and across the main categories: central government projects, net lending, and development grants.



Source: (Budget Strategy and Outlook 2019, and MoFTIEP's projections).

Central government projects were slightly reduced in 2020, only to pick up in the following year. Development grant financing follows a similar pattern. Net lending, on the other hand, follows a reverse pattern with an increase in 2020 and decrease in the following years.

The financing towards these PSIP projects is not limited to the government. In addition, the 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.

5.4 Resource envelope

The resource envelope for the NDS takes into account the revenue forecasts in the Budget Strategy and Outlook (BSO) 2019 and the Debt Management Strategy 2019 (projections beyond 2021 are provided by MoFTIEP). The resources are divided into domestically-sourced and internationally-sourced categories. Together, the funds are estimated at SCR 65 billion for the NDS period – SCR 47 billion in domestic resources and SCR 18 billion in international resources.

(SCR'000)	2019	2020	2021	2022	2023	Total	Average
A. Domestic							
1. Tax revenue	7,490,901	7,591,113	8,044,951	8,452,715	8,886,906	40,466,586	8093317.2
2. Non-Tax revenue	1,248,741	1,289,448	1,308,008	1,391,235	1,466,431	6,703,863	1340772.6
Domestic total	8,739,642	8,880,561	9,352,959	9,843,950	10,353,337	47,170,449	9,434,090
B. International							
Foreign Direct Investment (FDI)	2,360,672	2,497,130	3,193,050	3,684,290	3,984,490	15,719,632	3,143,926
Grants	209,238	247,470	193,983	224,804	224,804	1,100,299	220,060
Foreign borrowing	470,400	211,240	289,854	68,880	21,000	1,061,374	212275
International Total	3,040,310	2,955,840	3,676,887	3,977,974	4,230,294	17,881,305	3,576,261
Overall TOTAL	11,779,952	11,836,401	13,029,846	13,821,924	14,583,631	65,051,754	13,010,351

Source: (Budget Strategy and Outlook 2019, and MoFTIEP's projections).

During the NDS period, emphasis will be placed on harnessing the financing potential of the private sector in the form of PPP; this stance aligns with the country's aspiration for a private sector-led economy. The 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.

5.5 Expenditure

Total primary expenditure for the NDS period is projected at approximately SCR 45 billion, or 69 percent of the resource envelope.

Year	2019	2020	2021	2022	2023	Total	Average
Primary Expenditure (SCR '000)	8,359,329	8,494,734	8,870,040	9,306,298	9,756,302	44,786,703	8,957,341

Source: (Budget Strategy and Outlook 2019, and MoFTIEP's projections).

Due to the budget forecasts extending to three years rather than five years, and the arrangement of budgeting into programmes rather than pillars, the total cost of each pillar of the NDS will not be calculated. Instead, yearly action plans will be devised and costed accordingly. In the future, as the budgeting framework aligns with planning, the pillars will be costed at the beginning of each NDS.

Resource Mobilisation Strategy

The Resource Mobilisation Strategy will ensure that enough resources are available for the duration of the NDS. The strategy will be divided into two parts: domestic resource mobilisation and foreign resource mobilisation.

Domestic resource mobilisation: Efforts over the NDS period will be directed towards enhancing domestic resource mobilisation without creating economic distortions that can negatively affect economic growth. Strategies include:

Taxes:

- i. Enhancement of the tax collection system through the rollout of electronic payment systems, revision of laws and computerisation of collection systems etc.
- ii. Introduction of new taxes such as the sugar tax and property tax on foreign-owned residential property.
- iii. Improvement in the ease of doing business (such as enhancing capacity of commercial courts, streamlining the licensing process etc.) will encourage the opening of more businesses that will eventually pay more taxes and enhance investment. This will ultimately result in a positive economic outlook.

Government expenditure:

- i. Controlling expenditure by reviewing and assessing all policies and programmes – eliminating those that are not beneficial and improving the efficiency of those that are.

Private Sector:

- i. Opportunities for public-private partnerships (PPP) will be encouraged 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 PPP. Sectoral priorities for PPP are as follows:

PPP – Sectoral Priorities
Energy
Sea ports and shipping
Aviation sector
Ecotourism
Land use and housing
Social sectors

Source: (National PPP Policy 2016).

- ii. Privatisation of government assets will continue to be a strategy that will allow the private sector to assume its position as the engine of growth.

Domestic Borrowing

- i. Developing the financial sector to promote equity fundraising e.g. legislative improvements.
Foreign resource mobilisation: Seychelles' graduation to a high income country has made traditional international financing (e.g. ODA) more difficult. Therefore, Seychelles needs to attract innovative and unconventional financing. Strategies include:

International cooperation

- i. Encouraging bilateral assistance.
- ii. Improving Seychelles' relationship with international financial institutions (IFIs).

Investors

- i. Enticing more and better foreign direct investment (FDI) by improving the ease of doing business.
- ii. Attracting unconventional investors such as venture capitalists through the use of innovative incentives.
- iii. Encouraging international PPPs.
- iv. Attracting international portfolio investments by developing the financial sector.

5.6 Fiscal risks

The success of the NDS will rest on both appropriate levels of funding as well as consistency of funding. Fiscal risks will therefore need to be closely monitored. 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 are the major sources of risk over the medium term. The uncertainty of the global economic landscape and fast-changing international developments pose a threat to the Seychelles given its heavy reliance on tourism and imports. Should unanticipated changes in economic conditions occur, their impact will flow directly through to government expense and revenue forecasts. This is why lessening the debt burden has taken a high priority; the decrease in debt levels during good times builds fiscal buffers that allow the government to maintain, or even scale up, its programmes during an external shock in order to stabilise the economy.

In terms of budget spending risks, the biggest source of risk is the improper execution of capital projects. Government has embarked on a number of projects over the years which ended up with significant cost overruns, thus placing a strain on the current budget. Cost overruns on a project also means that the respective implementing agency has to reallocate funds from other projects. Another challenge faced with regards to capital projects is delays in project implementation, largely due to human resource capacity issues and delays in the procurement process. Moreover, other risks include funds for capital spending could being misallocated, crowding out the funding for and focus on the public projects with the very highest social returns. I.e. "white elephant" risk.

SOEs can be a major source of fiscal risk to public finances if they do not perform well financially. SOEs operating inefficiently could see their financial returns decline, their debt increase and their solvency at risk. This may result in lower financial returns, additional fiscal costs to the budget and an unsustainable level of debt. Given the size of the SOE sector as part of the economy, it is important to monitor SOEs to ensure they are performing well financially and are sustainable.

It must be said that, although these categories are clearly defined, fiscal risks are correlated and inter-dependent, with one particular risk affecting more than one category. To that effect, the matrix below shows the vulnerability of each SOE

to different types of macroeconomic risks. Some macroeconomic risks would have a substantial impact on all SOEs, such as inflation, whereas other macroeconomic risks are more specific to the sector in which the SOEs operate, such as the oil price price risk. The matrix also indicates that all SOEs are vulnerable to at least one type of macroeconomic risk.

PE	Risk Parameters							
	Oil price	Other commodity prices	Exchange rate	Interest rate	Credit availability	Tourism	Housing prices	Inflation
AS	x	x	x	x	x	x		x
BDRI		x		x	x			x
DBS		x	x	x	x	x	x	x
FSA		x	x	x	x			x
GICC	x	x	x	x	x		x	x
GOIC	x	x		x	x		x	x
GTIC	x	x		x	x		x	x
HFC		x		x	x		x	x
IDC	x	x	x	x	x	x	x	x
IUE	x	x	x			x		x
NISA	x	x		x	x			x
PS	x		x	x				x
PDEE								x
PMC				x	x		x	x
PUC	x	x	x	x	x	x		x
SCB			x	x	x	x	x	x
SCAA	x	x	x	x	x	x		x
SEYPEC	x		x	x	x	x		x
SIMBC			x	x	x	x	x	x
SPA	x		x			x		x
SPF			x	x			x	x
SPTC	x		x	x				x
SPS	x		x					x
SSI	x	x	x	x	x			x
SPTC	x	x	x	x	x			x
2020 DC		x	x	x	x		x	x

Source: Public Enterprises (PE) and Risk Parameters (Fiscal Risk Statement 20)



CHAPTER 6:

RISK MANAGEMENT

6.1 Introduction

This chapter focuses on risk management for the NDS. It recognises the need to have a robust risk management framework in light of how essential it is to have a comprehensive understanding of the risks involved in the implementation of the NDS. The risk management process involves proactively identifying and understanding the factors and events that may negatively impact on the achievement of the goals and strategies of the NDS. It also entails taking the necessary steps to reduce these risks to acceptable levels by managing, monitoring and reporting on them. Risk management must be a priority for the leaders in Seychelles and this process needs to be integrated at both the operational and strategic level as part of planning processes.

6.2 What are the risks?

Although Seychelles has made some significant achievements in the environmental, social and economic arenas, some existing vulnerabilities still remain in addition to emerging ones. Moreover, the country's new high income status means that Seychelles no longer qualifies for development aid in some instances. The situation now calls for development that is primarily internally driven, given that aid will decline. Furthermore, Seychelles faces not only internal risks specific to the country due to its size, nature, location and other unique characteristics, but also external ones that presents a challenge for the global community at large.

The following have been identified as the most concerning risks for the country:

Funding for the NDS

There is inherent risk associated with the need for a sizable amount of funding for the implementation of the NDS and the corresponding lack of potential financing sources. Access to international financing and concessional loans has become very limited for Seychelles and this means that the country needs to find innovative ways of getting necessary capital to invest in national priorities.

Complacency

There are many costs resulting from a culture of complacency. This risk is directly associated with the failure to implement strategies due to having become accustomed to doing things in a certain way and having grown oblivious to the hazards that may be ever-present or emerging around us.

Drugs and social ills

This risk relates to the impact drugs and social ills have on society, such as the burden it creates on the health sector, disruption of the family unit and higher crime rates. Moreover, drugs and social ills prevent individuals from participating in society and contributing to economic development. Illicit drugs drain the country of resources as limited national funds are used to combat the problem rather than focus on development. Therefore, this creates further constraints to achieving the NDS' goals and strategies, particularly in the arena of social cohesion and economic transformation.

Corruption

Corruption is generally defined as the misuse of public power for private benefit. It is one of the main obstacles to sustainable economic, political and social development. Moreover, it also reduces efficiency and increases inequality. It is thus crucial to have a zero tolerance policy against corruption.

Political

This risk arises from political decisions, shifts of political power and instability in the country which may significantly affect the successful implementation of the NDS. Political risks are the least predictable threat and there is a need to take time to understand and plan for political risks.

Technological capability

Technological capability refers to the ability to develop, adopt, produce and use technology. It enables citizens to be better able to contribute to the economic development of a country. As a small island state, there is a need to enhance the technological capability of our people in order to improve the capacity of the nation to implement the NDS goals and strategies.

Decline in tourism

A decline in tourism can be for a number of reasons, including increased competition with other tourist destinations. It could also be due to an economic, political or social crisis. As evidenced by the global economic crisis of 2008-2009, a decrease in tourism arrivals could have disastrous consequences for Seychelles, such as a foreign currency shortage, widespread loss of employment and a lack of new job opportunities. It is thus critical to increase the resilience of the tourism sector given its share of the economy.

Market

This refers to the risk associated with unfavourable changes in our currency exchange rates, foreign investment inflows, foreign exchange reserves, trade agreements, banking sector and in general, our economic structure. Such changes will be detrimental to the economic development of the country and it is therefore crucial to manage all market risks.

Health pandemics: plague, ebola, malaria

This risk addresses the real threat of major health pandemics and how adequately prepared Seychelles is to face these. Infectious diseases respect no boundaries and the country is vulnerable to both regional and global outbreaks. The expected costs from these will affect the whole country and include industrial, macroeconomic, income and societal losses. To achieve the NDS, it is crucial that this risk is mitigated appropriately

Piracy in the region

Piracy in the region poses a significant threat to the economic performance of the Seychelles. Piracy is a particular risk in the waters surrounding Seychelles' outer islands nearest to the east coast of Africa. Although piracy in the region has declined, this threat has not been totally eradicated and commercial and fishing vessels are still at risk. This could be particularly troubling for our tourism sector if potential visitors choose not to visit Seychelles out of fear of pirate raids. The impact on fisheries could also be huge, with major ramifications for the development of the blue economy as piracy poses significant risks to maritime activities in the region.

Terrorism

Terrorism is a threat throughout the world. Although there is no recent history of terrorism in the Seychelles, there is still a need to remain vigilant. It has been the case that terrorist attacks tend to be in public places, including those frequented by visitors. As a holiday destination, terrorism is an ever-present threat to our tourism industry in particular.

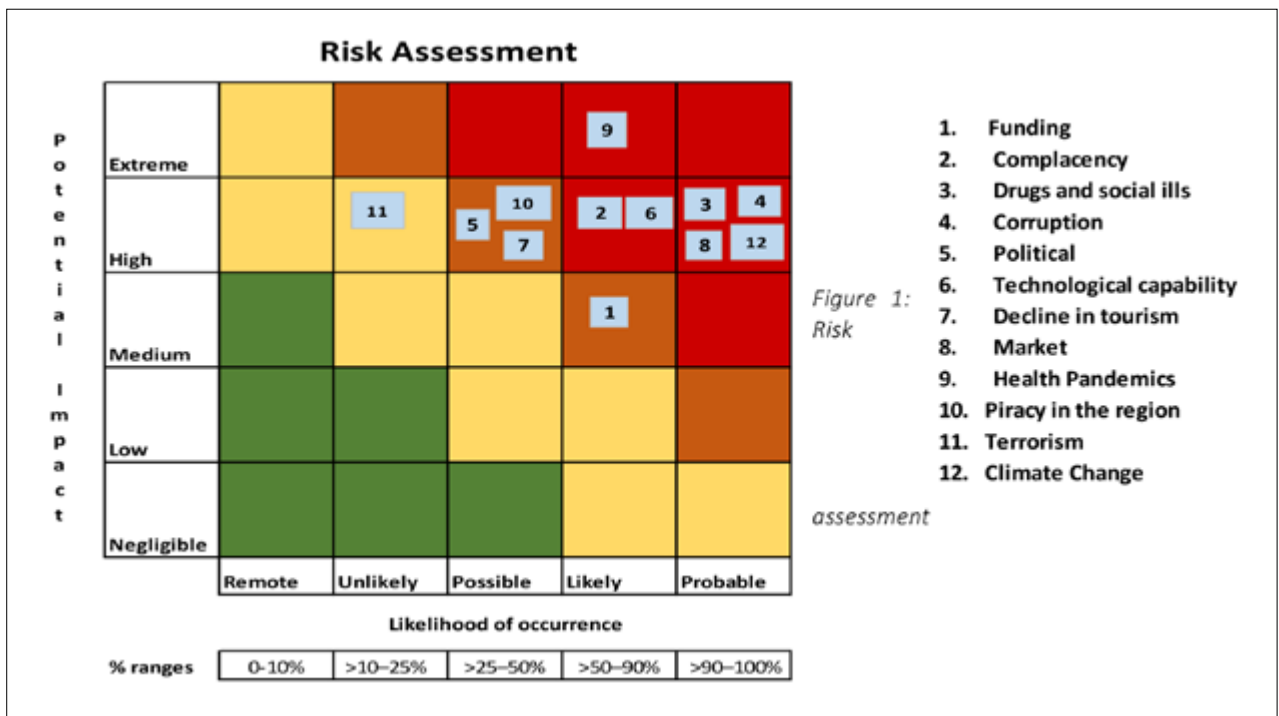
Climate change

The expected effects of climate change are becoming increasingly visible and these include higher temperatures, altered rainfall patterns, water scarcity and more frequent or extreme events such as heatwaves, drought and storms. As part of the global community, Seychelles also needs to address the risk of climate change and how to augment its adaptive capacity to this.

6.3 Risk assessment

Following the identification of the risks, the next step follows to undertake the risk assessment process to analyse and evaluate the risks. This offers a holistic view on decision-making concerning the likelihood and impact of each risk within the country.

The figure below depicts the results of the risk assessment process.



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

Table 1: Risk Rating

The risk assessment identifies complacency, drugs and social ills, corruption, technological capability, market, health pandemics and climate change as the most alarming risks. Funding problems, political instability, a decline in tourism and piracy in the region are also considered alarming, but to a lesser extent. Finally, terrorism is deemed to be a medium risk. The results of the risk assessment process will inform the risk management strategy and mitigation alternatives.

6.4 Risk management strategy and mitigations

The purpose of the risk management strategy is to outline the minimum requirements and mitigation alternatives for risk management for the NDS and thus maximise the possibility of achieving the stated goals of the NDS. The mitigation alternatives include avoiding, managing and eliminating the risks. Additionally, the risk management strategy determines who the responsible person or organization is for the necessary actions.

The risk management strategy will be presented in the annex.

6.5 Monitoring

Monitoring is critical to the entire risk management process as it provides early warning of where risks may materialise and ensures that the appropriate mitigation strategy is implemented successfully. Thus, continuous monitoring includes:

- 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

Reporting

It is crucial to report on the results of the risk management process to ensure that it is ongoing and embedded. Moreover, the reporting frequency will be on a quarterly basis, but can happen any time depending on the country's current 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
- Proposed mitigation strategy with additional actions and controls to be implemented
- The responsible person or organisation for the mitigation/response strategy
- Timeline for implementation of mitigation strategy
- Key risk indicators to track the status of the risk

6.6 Conclusion

Critical to the success of the NDS, risk management will be an ongoing process that continues throughout the five-year plan. 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 strategy's goals.



ANNEX 1:

**LOGICAL
FRAMEWORK
FOR THE
IMPLEMENTATION
OF THE PILARS'
GOAL AND
STRATEGIES**

Pillar 1 – Good Governance

Goal 1: A transparent, accountable and citizen-centric government that delivers efficient, effective and quality services										
Strategies	Strategic Interventions	Outcomes	Indicator	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
1.1. Promote a performance-based, accountable and transparent public sector.	Full implementation of RBM	RBM is fully implemented	Percentage of MDAs implementing all four RBM pillars (%)	0	0	28	39	80	DPA, MoFTIEP	
		Government services are relevant and satisfactory	Percentage of surveyed public satisfied with government services (overall mean score; %)	64.1 (2014)	-	-	-	75	NBS	
1.2. Strive for open government and empower citizens in the decision-making process.	Implementation of the Code of Governance for proper public enterprise oversight. Enhancement of Public Financial Management (PFM) and tax efficiency	Public enterprises are run in an efficient and transparent manner	Percentage of public enterprises complying with Code of Governance based on OECD guidelines (%)	0	25	75	100	100	PEMC	
		Effectively managed public finances and improved service delivery	(i) Wage bill (% of GDP) (ii) Average budget execution rate for capital expenditure (%)	(i) 11 (ii) 86	11	11	11	11	11	MoFTIEP
1.3. Enhance the efficiency of the public sector through innovation and the use of appropriate technologies.	Implementation of the Access to Information Act. Digital government expansion.	Wide access by the public to government records	Percentage of requests responded to per year (%)	0	40	60	80	100	Department of Information	
		All basic government services are easily accessible online	Percentage of basic government services with an electronic delivery channel (%)	35	45	65	75	85	95	DICT
		Online government services are user friendly	Average percentage usage ratio of government services accessed via the electronic channel (e-service) versus the in-person channel (%)	13	23	33	43	53	63	DICT

Goal 2: Educated, empowered and responsible citizens engaged in building a sustainable, inclusive and equitable society										
Strategies	Strategic Intervention	Outcome	Indicator	Baseline (2018)	Implementation Target				Monitoring Responsibility	
					2019	2020	2021	2022		2023
2.1. Strengthen enforcement of laws and regulations.	Community Policing	Reduction in crime	Crime rate							
	Review current responses to drug trafficking and abuse, and introduce new legislations and policies to suppress the supply and availability of illegal drugs.	Reduction in drug use and its associated offences	Number of drug-related offences	226						Police, Ministry of Home Affairs, Judiciary
2.2. Strengthen border security.	Strengthen capacity for effective border control.	Seychelles' maritime border is well patrolled and surveilled, and the points of entry are better controlled and monitored.	Number of incidents responded to by the National Information Sharing Coordination Centre.	—	350	325	300			Regional Maritime Security Bodies, MEICS, SPA
	Implement corruption prevention policies to reduce the prevalence of corruption and economic crime.	A corruption free society in an environment of integrity, accountability and transparency.	Control of Corruption World Governance indicators, World Bank	0.68 (2017)	0.73	0.79	0.85	0.89	1	ACCS
2.3. Prevent corruption in all forms.	Educate the public on what constitutes corruption.	More people are aware of what constitutes corruption.	Percentage of the public surveyed aware of what constitutes corruption.	56%	65%	75%	80%	85%	90%	ACCS

Pillar 2 – People at the centre of Development

Goal 1: The attainment of the highest level of health and wellbeing							Monitoring Responsibility			
Strategy	Strategic intervention	Outcome	Indicators	Baseline 2018	Implementation Targets					
					2019	2020	2021	2022	2023	
1.1 Pursue effective health protection and promote empowerment and personal and societal responsibility for holistic health.	Develop communication strategy on managing risk factors (NCD and communicable diseases) to health	Citizens engaged to actively participate in maintaining good health and adopt positive health practices	% of adolescents and youths reached with social and behaviour change communication	No data	30%	40%	60%	70%	80%	MOH
			Uptake of HIV testing among key populations	PWIDs- 29.4%; MSM- 53.8%; FSW- 53.8%	PWIDs- 29.4%; MSM- 53.8%; FSW- 53.80%	PWIDs- 75%;M SM- 90%;F WS- 90%	PWIDs- 95%;M SM- 95%;F WS- 95%	PWIDs- 95%;M SM- 95%;F WS- 95%	MOH	
1.2 Build a high-quality integrated health care system with a focus on person-centred care.	Strengthen health services across the life course	Decreased mortality and improved quality of life for all	Life expectancy (yrs)	M:68.5 ; F:77.4	M:68.5 ; F:77.4	M:70 F:79	M:73 F:80	M:75 F:81	M:77 F:82	MOH
			Infant mortality rate	18.8/1000 live births	16/1000 live births	<16/1000 live births	<14/1000 live births	<12/1000 live births	10/1000 live births	MOH

Goal 2: Educated, empowered and responsible citizens engaged in building a sustainable, inclusive and equitable society

Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
2.1. Promote greater and more effective inclusiveness in education and lifelong learning for every age group	Improve readiness and developmental outcomes of children in early childhood stage	A solid foundation for learning is established for transition into crèche education	Percentage of children attained developmental milestones in readiness for crèche education IECD		50% (baseline)	55%	65%	70%	75%	IECD
	Ensure greater access at all levels of education and vocational training particularly for students with disabilities	Equitable access to tertiary education achieved	(1) Percentage of students with Special Education Needs (SEN) going for tertiary education (2) Percentage of students with disabilities going for tertiary education (disaggregated)	Nil	-	3%	3%	5%	7%	Ministry of Education and Human Resource Development
2.2. Reform the education system for the realities of Seychelles today and for the future	Promote the use of information and communications technology in schools to develop digital literacy skills	ICT integrated in the Education system	(1) Percentage of passes in ICT IGCSE (C or better) (2) Percentage of schools with internet connectivity (wifi access)	33%	37%	40%	42%	45%	50%	Ministry of Education and Human Resource Development
	Promote teaching as a profession	An education system equipped with teachers (quality and quantity) to meet the country's educational needs	(1) Percentages of teachers trained at minimum standard (disaggregated)	65%	65% (P) 92% (S)	67% (P) 94% (S)	70% (P) 95% (S)	72% (P) 96% (S)	75% (P) 97% (S)	
			(2) Percentage of students joining the teacher training programmes	2%	3%	4%	5%	7%	10%	
(3) Teacher attrition rate level	10% (P) 8% (S)	9% (P) 8% (S)	8% (P) 7% (S)	7% (P) 6% (S)	6% (P) 5% (S)	5% (P) 4% (S)				

Goal 3: A productive and skilled labour force to support socio-economic transformation										
Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
3.1. Develop an efficient and effective labour market	Effective execution of the National Human Resource Development Plan	Human resources trained in areas of national priorities	Percentage of trained personnel employed in their area of specialization	Nil	-	60%	65%	67%	70%	ANHRD
	Implementation of localization plans	More posts localized in targeted areas	Number of localized posts	51	60	76	82	88	96	Employment Department
3.2. Manage and upskill the labour force	Development and implementation of re-training/ re-skilling programmes and increase labour supply and skills in areas of demand	Reduced unemployment including the youth	(1) National unemployment rate (15 years & above)	3.5% (Q3 2018)	4.5%	4.3%	4%	4%	4.2%	
			(2) Employed population (15 years & above)	48,995 (2018)	46,640	47,520	47,720	47,290	47,500	
			Youth aged 15-24 unemployment rate	14.5% (Q3 2018)	14.00%	13.00%	12.00%	12.00%	12.60%	
	Implementation of the Labour Migration Policy	Effective management of labour migration and labour migration flows	Percentage of organisations in targeted sectors complying with minimum welfare standards for migrant workers		55%	60%	65%	70%	70%	

Pillar 3: Social Cohesion

Goal 1: Happy, healthy people living in a harmonious and peaceful community.										
Strategy	Strategic Intervention	Outcome	Indicator	Baseline (2018)	Implementation Target				Monitoring Responsibility	
					2019	2020	2021	2022		2023
1.1 Strengthen social protection mechanisms	Implement targeted and sustainable social protection systems	A more needs-based social protection system which caters to the most vulnerable and promotes social inclusion (greater participation of the vulnerable in the economy and labour force)	Number of households receiving welfare benefits	2509 (2017)	2200	2100	2000	1900	1800	Agency for Social Protection
			Income distribution (Gini Index)	0.47	Improvement upon future reporting				Government of Seychelles, World Bank	
1.2. Strengthen prevention, rehabilitation and detoxification programmes	Develop evidence-based programme to manage drugs and alcohol.	Reduction in substance abuse and related ill	Population estimate of heroin users	4800(2017)	<4800	<4800	<4800	<4800	<4800	APDAR, Ministry of Health
			Proportion of people aged 15+ years who consume alcohol	57.5% population drink alcohol	4%	reduction from baseline value				APDAR, Ministry of Health
1.3. Building safe and resilient communities	Mitigate social discord and promote good citizenship values	Stable, safe and thriving communities where all can live peacefully	Number of reactive cases	4239	<4000	<4000	<3000	<3000	<3000	Seychelles Police, National Bureau of Statistics
1.4. Increase sports education, awareness and cultural change.	Strengthen sports education in schools, districts and at national level.	Increased awareness of the public on the benefits of an active and healthy lifestyle	Percentage of school children engaging in physical activity	>45%	>45%	>45%	>45%	>45%	>45%	Ministry of Health

Goal 2: Ensuring cultural sustainability for the well-being of all										
Strategy	Strategic Intervention	Outcome	Indicator	Baseline	Implementation Target					Monitoring Responsibility
				-2018	2019	2020	2021	2022	2023	
2.1. Promoting, developing and preserving our local artworks, literary works, language and cultural heritage and identities.	Implement a diversified range of cultural activities (Media exposure and publicity on cultural activities, international exposure of the Seychellois culture)	Enhanced experiences and positive social connections within communities fostering feelings of integration, inclusion and mutual respect.	Number of cultural activities held (musical concerts, visual art exhibitions, dance shows)	60	75	75	80			Department of Culture
			Number of people participating in cultural activities	150	175	165	200			Department of Culture
2.2. Creating economic value from our Creole culture	Development of the creative industry & develop cultural tourism	Increased revenue generated from creative industry and cultural tourism	Revenue generated from cultural activities							NAC
2.3. Preserving and promoting the country's cultural & World Heritage sites	Maintenance, conservation and valorisation of cultural and World Heritage assets	Well-maintained heritage sites, offering high-quality experiences to visitors and locals alike.	Number of declared national monuments and heritage sites	46	>46	>46	>46	>46	>46	Department of Culture, Seychelles Heritage Foundation
			Number of World Heritage Sites	2	2	2	2	2	2	Seychelles Islands Foundation

Pillar 4- Innovative Economy

Goal 1: An enabling environment for research and development										
Strategies	Strategic intervention	Outcome	Indicator	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
Incentivise relevant stakeholders to promote a research culture	Establish and maintain the operation of a governing body for research and development	A society where R&D is well established and the basis for evidenced-based decision making.	GERD as a percentage of GDP	0.4 (2017)	0.8	1	1.2	1.4	1.6	NISTI, NBS
Facilitate the creation of incubators	Incubators for business and technology in place	A business environment that supports and promotes SME creation and transformation	Number of incubates reaching commercialisation phase & operational after one year	0 (2017)	6	9	12	15	18	
Facilitate the creation of a physical and virtual co-working space (OASIS)	An ecosystem for start-ups with synergy with the BTI.	A business environment to attract global freelancers to interact with local entrepreneurs for start-ups	Number of start-ups per year	0 (2017)	0	5	8	11	14	NISTI/Karostech Ltd.

Goal 2: A knowledge-based, innovation-oriented economy with the integration of STI across all sectors and programmes											
Strategies	Strategic Intervention	Outcome	Indicator	Implementation Target					Monitoring Responsibility		
				Baseline (2018)	2019	2020	2021	2022		2023	
Engage a wide proportion of the population, especially the youth, as innovators and end-users of relevant and appropriate STI for Seychelles	Reinforce STEM education to provide necessary skills through the education system	STI knowledge is widespread among the local population	Number of teachers trained in STEM areas	4	2	2	2	3	3	Department of Employment, NISTI	
	Strengthening ICT education and assessment in the national curriculum and assessment frameworks		% of S5 students enrolled in STEM subjects (At IGCSE level)	16%	18%	20%	21%	21%	22%		Ministry of Education
	Development of a National Knowledge Management Engagement Platform (NKMEP)		% of S5 students enrolled in ICT (At IGCSE Level)	10%	12%	14%	15%	16%	17%		
			Number of organisations with modules in the platform	18%	20%	22%	24%	25%	26%	NISTI	

Pillar 5 – Economic Transformation

Goal 1: A capable government able to facilitate socioeconomic transformation.

Strategies	Strategic interventions	Outcome	Indicators	Implementation Target					Monitoring Responsibility	
				2018	2019	2020	2021	2022		2023
1.1 Establish appropriate legal, regulatory and policy frameworks	Business development and promotion services	A conducive business environment	Value of FDI (FDI US\$ M)	2018	2019	2020	2021	2022	2023	Department of Investment
	Develop an investment framework and strategy			284.2M	\$318.9M	\$214.9M				
	Reinforce compliance regulations and standards relevant to businesses			96/190	80/190	70/190	60/190	50/190		
1.2 Develop a strong infrastructure which will contribute to the socio-economic development agenda	Set up business registry e-solution (integrated investment portal) to facilitate the starting up of a business and subsequent fiduciary services	A unified infrastructure masterplan developed	International Passenger Traffic growth rate	-1%	3%	6%	6%	6%	5%	SCAA, Air Seychelles, Department of Civil Aviation, Marine and Ports
	Expansion of Seychelles International Airport terminal									
	Construction of tunnel		Reduction in the time required to move people and goods from the west of Mahe to the East of Mahe and vice versa	30mins				77%	77%	Department of Infrastructure, Seychelles Land Transport Agency, Department of Land Transport

Goal 1: A capable government able to facilitate socioeconomic transformation.

Strategies	Strategic interventions	Outcome	Indicators	Baseline	Implementation Target					Monitoring Responsibility	
					2018	2019	2020	2021	2022		2023
	Realignment/ extension of industrial fishing port		Contribution of the fisheries sector to GDP	12% (2016)	14%	16%	19%	22%	25%	Seychelles Ports Authority, SFA	
	New Praslin passenger terminal building		Passenger growth rate	14.30%	9.50%	9.50%	18.70%	18.70%	18.70%		Seychelles Ports Authority/ Department of Civil Aviation, Ports and Marine
	New Praslin passenger jetty		Real GDP growth	4.3% (2017)	3.46%	3.32%	4.14%	4.00%	4.05%		
	Airside infrastructure project at the airport in the period 2017-2020										
	La Digue seawall realignment & dredging of basin/ to provide additional berthing space									Seychelles Ports Authority/ Department of Civil Aviation, Ports and Marine	
	Mahe Quay Port extension project to create extra berthing space for additional vessels and provide other necessary infrastructure upgrades to the Port Victoria										Seychelles Ports Authority

Goal 1: A capable government able to facilitate socioeconomic transformation.										
Strategies	Strategic Interventions	Outcome	Indicators	Baseline 2018	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
	Land reclamation	Improved satisfaction of the development needs of the country	(1) Hectares of land for industrial and housing purposes (2) Economic benefits ("increased commercial and industrial development" and "increased amount of businesses with access to land")		18Ha (Aurore)	78Ha (Hodoul, PIE, Queenie bay)	10Ha (Praslin)			MHILT
	Installation of second submarine cable		Number of international undersea optic fiber links serving the Seychelles	1	1	2	2	2	2	Department of Information, Communications and Technology
1.4 Promote efficiency, access and participation through the digitisation of the economy	Modernisation/Digitalisation of the National Payment System (Basic Technological Infrastructure, FinTech)	Enhance the use of e-payments	Number of POS transactions	1,603,070	10%	15%	20%	20%	15%	Central Bank of Seychelles
			Number of e-commerce transactions per annum	60,000	5%	5%	10%	10%	10%	

Goal 2: The strengthening of existing economic sectors for higher returns and sustainability											
Strategies	Strategic intervention	Outcome	Indicator	Implementation Target					Monitoring Responsibility		
				2018	2019	2020	2021	2022		2023	
2.1 Promote high value products that are able to compete on the global market	Promote investments through public-private partnerships (PPPs) in processing units for the processing of surpluses	Increased competitiveness of Seychellois products on the international market	Investment through PPP in million dollars (US\$ million) number of PPP projects	0	0	2	3	3	3	3	Department of Investment
	Diversification of tourism products (MICE, medical, marine)	A more diversified tourism industry based on sustainability	Economic contribution of tourism sector as a percentage of GDP	US\$432 million						US\$946 million	Department of tourism, STB
	Forming brand alliance with the region and Africa through our uniqueness										
	Implementation of the blue economy roadmap	Increased blue economy value chain production	Value gained from value chain production (contribution to GDP by the fisheries sector) Number of blue economy related investment projects		8	10	15	20	25		Department of blue economy, DoIED
	Maximise production and improve packaging of local products	Higher quality products	Hectares of land under agricultural production	525	577.5	606	636	667.8	733.8		MFA/ SAA
			% Increased in agricultural, meat and other locally produced products (tonnes)	25%	35%	40%	45%	50%	60%		Ministry of Fisheries and Agriculture, DoIED, ESA

Goal 2: The strengthening of existing economic sectors for higher returns and sustainability										
Strategies	Strategic intervention	Outcome	Indicator	Implementation Target					Monitoring Responsibility	
				Baseline	2018	2019	2020	2021		2022
2.2 Promote greater economic resilience in key areas in which we have comparative advantage	Promote investments in Seychelles, and particularly, in products and services for both local and export markets by also tapping into international affiliations	Increase in the consumption of local products and a reduction in imports	Increase in the value of manufacturing (SCR million)	1,421.90	10%	10%	10%	10%	10%	Department of Investment, Department of Trade, ESA, DoIED
	Ensure greater benefit from having been involved in the many international, regional or bilateral arrangements from the investment perspective	Increase in the value of export (SCR million)	19,253	5%	5%	10%	10%	40%	Department of Investment, TRADE, ESA	

Pillar 6: Environmental Sustainability and Resilience

Goal 1: A Global leader in environmental conservation and climate change resilience and effective implementation of integrated sustainable development practices.										
Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
1.1 Sustainable management and use of environment and natural resources.	Increased conservation of Seychelles land and marine resources	Expansion of protected areas networks	Proportion of terrestrial areas protected	47%	47%	50%	52%	55%	NPA/BE/MHILT/MEECC	
			Proportion of marine protected areas	0.10%	15%	22.50%	30%	30%		
	Increase national water storage capacity and effective management, in terms of usage	Fully integrated approach to water security and people adopting good practices to reduce wastage	Total storage capacity	1.05 million M ³	1.05 million M ³	1.65 million M ³	1.65 million M ³	1.65 million M ³	1.65 million M ³	PUC/MEECC
Decrease volume of waste reaching the landfill	Effective waste management system for the different categories of waste in place	Reduction in non-revenue water (%)	25.30%	24%	23%	22%	22%	22%		
		Access to potable water	95%	96%	97%	98%	99%	100%		
Percentage volume or weight per waste stream processed, recovered, recycled, exported or landfilled in environmentally sound manner/	National solid waste production as a proportion of waste streams	3000 Tons	6000	9000	1200	1500			LWMA/MEECC	
		Treatment of waste (%)	9	18	27	37	46			

Goal 1: A Global leader in environmental conservation and climate change resilience and effective implementation of integrated sustainable development practices. (Indicator - Environmental Performance Index)										
Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
1.2 Disaster risk management, mitigation and preparedness	Vulnerability to natural disasters	Increased resilience	World Risk Index	115/172 countries	113	111	109	107	105	DRDM /MEECC
1.3 Advance understanding, build capacity, mainstream and increase resilience to climate change.	Promote energy efficiency and use of renewable energy	Increased resilience to the impacts of climate change	CO2 emissions (Kilo tonnes)	30.8ktCO2	43.9ktCO2	57ktCO2	70.1ktCO2	83.2ktCO2	96.3 ktCO2	Seychelles Energy Commission, MEECC
1.4 Improve our energy security and become a resilient economy		Improve energy performance and renewable energy use	CO2 emissions per capita (Metric tonnes)	5.54 metric tonne per capita	5.76	5.93	6.1	6.27	6.45	Seychelles Energy Commission, MEECC
			Renewable energy share in the total final energy consumption	2.48%	2.52%	4.19%	5.28%	5.16%	5.04%	MEECC/ PUC
			Percentage renewables in electricity generation mix	2.58	4	5	6	7	8	Seychelles Energy Commission, MEECC
			Primary Energy intensity index	22 TOE/million SCR	21.6 TOE/million SCR	21.2 TOE/million SCR	20.8 TOE/million SCR	20.4 TOE/million SCR	20 TOE/million SCR	
		Energy consumption per capita	2TOE per capita	2TOE per capita	2TOE per capita	2TOE per capita	2.5 TOE per capita	2.5 TOE per capita		

Goal 2 - Reduce vulnerability to natural disasters and climate change by further strengthening land use planning and sector development

Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
2.1 Long-term national development and land use management strategy for sustainable land management.	Operationalising Seychelles' Strategic Land Use and Development Plan	Improved land use efficiency	Number of land use plans which have completed review and consultation stages for the existing electoral districts	42%	73%	100%	100%	100%	100%	Seychelles Planning Authority
2.2. Reviewing building codes and enhancing their enforcement	Ensure infrastructure development a green building code with resilient design	Resilient building design codes enacted	Energy consumption per floor area	SEC Responsibility						MEECC, SEC/ PUC

Goal 3 – Strengthening of environmental governance and management systems.

Strategies	Strategic interventions	Outcome	Indicators	Baseline (2018)	Implementation Target					Monitoring Responsibility
					2019	2020	2021	2022	2023	
3.1 Improve governance and regional and international cooperation			Environmental Performance Index Score	39	≤ 37	≤ 35	≤ 33	≤ 31	≤ 30	MEECC
3.2 Develop and improve leadership capacity across public and private sector institutions			Ocean Health Index	77	78	80	82	84	86	MEECC

ANNEX 2:

WHAT FUTURE: ALTERNATIVE SCENARIOS

THE GARDEN OF EDEN

The Garden of Eden is the best case scenario. Here, the economy has been transformed through diversification and is enjoying a stable growth trajectory. Growth is inclusive and sustainable, with the Seychellois people placed at the centre 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 minimise 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 and parliamentary) work efficiently to ensure the smooth running of the country. The Seychellois people have high levels of trust in government institutions to deliver on their respective mandates and to ensure the highest possible levels of public service delivery.

Because citizens have been placed at the centre of development, they are 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.

Health and education

The majority of the Seychellois people live generally healthy lives and are focused on attaining personal and collective well-being. The country has successfully attained the goals and targets of SDG 3 (a level of the World Health Organisation's Sustainable Development Goals). 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 endeavour where possible to employ sustainable financing options to ensure longevity of the health system, as well as responsible collective use of medical resources. Existing and new partnerships with all sectors, as well as international organisations and partner countries, means that Seychelles benefits from greater medical innovation and technological advancement, allowing the standard of healthcare in Seychelles to advance, with options such as telemedicine allowing world class healthcare to be offered to all Seychellois.

Human resources

A migration policy framework is carefully managing the quantity and quality of expatriate labour, ensuring that all migrant labour is to the benefit of Seychelles and encouraging recruitment of highly-skilled expatriate labour where needed as a means to 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 or unrest linked to migrant workers. There is a pleasant and neighbourly relationship between the Seychellois people and the migrant population. It is generally understood that Seychelles requires the additional manpower from overseas, and that the country will continue to work towards gradual localisation of key employment opportunities.

National identity

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 marginalised 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 behaviour. 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 makeup, with a keen focus on acceptance and embracing the multitude of ancestral backgrounds that has made the country what it is today. Both public and private institutions actively pursue activities to promote and uphold Seychellois culture for all to benefit. Music, visual art, and other forms of artistic expression flourish, giving a boost to the local art scene. Communities, faith-based organisations and other NGOs rally to provide spiritual and pastoral care to the people of Seychelles. The emphasis on spiritual well-being is viewed positively, both as a tool to build stronger familial and neighbourly bonds as well as being a catalyst for fostering reconciliation and unity.

Seychelles remains a champion of 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.

Education and technology

The people of Seychelles are among 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 levels. Several prominent educational institutions have been established via public-private partnerships, allowing for resource-sharing models to be implemented with the private sector, ultimately resulting in cost savings for 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 the forecasted requirements of the future. There is an active drive to build the capacity of the current workforce, and in-service training is mandatory.

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 continually mobilise their resources to ensure a steady 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 ecommerce. This makes it easier for citizens and businesses alike to save time and the costs associated with carrying out manual processes and traditional "pen and paper" transactions. The government and its partners have created an enabling environment for the adoption of "green", 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 fit-for-purpose, state-of-the-art technology.

A strong private sector

Economic transformation has been achieved with considerable success, with greater value-addition in all sectors. The private sector operates unhindered, as government has taken decisive steps to minimise bureaucracy. A diverse range of local products are available on the market, some of which are high quality, allowing them to be marketed and sold in foreign markets. Tourism receipts are higher than ever before, as Seychelles reaps the benefits of exploiting new and

emerging markets. High-value tourism continues to thrive, with Seychelles recognised as a luxury, high-end destination. Tourism establishments are pioneering new environmental practices as more hotels market themselves as “green” establishments, catering to visitors keen on protecting the environment.

The economy has been transformed and diversified to become less reliant on the highly competitive global tourism industry, and more resilient to external shocks. Seychelles is an exemplary small island developing state (SIDS), with a flourishing blue economy sector. A large proportion of Seychellois are employed in blue economy activities, tapping into the potential of the archipelago’s extensive EEZ. The Port of Victoria is a leading port in the Indian Ocean and has become more technologically advanced, to meet the needs of current-day market conditions. Furthermore, the port has been fortified and improved to ensure that it can withstand the negative impacts of climate change. Aquaculture has been carefully adopted in line with 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 vast ocean resources. Seychellois are working in tandem with 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. Because of the limited availability of land 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, high-quality housing options, while social housing remains an option for those in need.

Seychelles has experienced challenges leading up to attaining the goals envisioned in this scenario (e.g. 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 the face of such climatic and external phenomena and through socioeconomic transformation. Governance is on 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 ways of solving challenges 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, a pioneer in environmental conservation, and a centre of expertise on the blue economy. Resilience has proven to be the essential ingredient to ensuring that Seychelles not only survives but thrives.

This scenario thus concludes the ultimate example of success for 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.



TIME BOMB

By 2033, Seychelles is no longer the pearl of the Indian Ocean. The economy is in a recession and the environment has deteriorated considerably. The country is faced with extremely high unemployment rates due to the inability to adjust and adopt technologies within the modern labor market. Poverty issues become more pronounced as many children are seen begging on the streets. There is a rise in house breaking, violent crimes and petty thefts. Prostitution becomes a major concern as HIV cases proliferate. The government is weak and unresponsive, and corruption worsens the stability of the economy. Many Seychellois escape to find refuge and better lives for themselves elsewhere while others who are left behind boycott the government and undertake anti-social activities. Seychelles becomes isolated from the rest of the world. The place once known as paradise is no more.

All of this resulted from a lack of proper coordination within the government and across the private sector and civil societies, unsuccessful implementations, lack of political will and individual commitment. As a result, the government failed to adapt to climate change and adopt a more rigorous conservation agenda. Seychelles was heavily reliant on tourism. Although much of the country's income was gained from the tourism sector, the government recognized the importance of diversification within the economy; an idea which was embraced through a series of public consultations back in 2017 with the creation of the National Development Strategies. As such, the idea was to develop and bring about an entirely new concept known to few: "The Blue Economy".

The development of the Blue Economy involved the participation of many international partners, extensive research and strong advocacy. The government created an enabling environment to ease the operations within the Blue Economy by reviewing the legal and institutional framework to encourage large public and private sector participation. This led to the adoption of the Blue Economy concept in the education curriculum which at the beginning was not familiar to the general youth population. The understandings and acceptance of the Blue Economy nationwide were limited. The Ministry of Education with the help of the Blue Economy introduced a marketing strategy in schools and at UniSey to encourage the youth to engage in the various activities involved in the Blue Economy. Seychelles sought to grow this sector in collaboration with international partners who played a powerful role in providing the country with the necessary assistance to push this agenda forth.

As the shift towards an ocean-based economy took flight, the development of the aquaculture sub-sector amplified and the reliance on the tourism industry declined. The rise in migrant labour due to increasing demand in professional and skilled human capital which was required for the development of the Blue Economy not available in the local market, created increased pressures on the already inflated housing market. Foreign Direct Investment into the country was diminutive compared to money leaking out of the economy as many expatriates sent money back home to provide for their families.

Major improvements in infrastructure were apparent. Dams were built to cater for the increasing population. The port of Victoria was extended. Two additional airport runways had been built. These contributed to the strengthening of the tourism sector by attracting more international airlines and cruise ships. A tunnel was constructed and there were major public transport and road improvements such as bypasses, special lanes which helped immensely with the traffic congestion during peak hours. Flexible working hours were adopted to ensure high levels of productivity and effective management.

The government was noticeably more focused on the creation of wealth rather than placing emphasis on the protection of the environment and mitigations of climate change and potential external shocks. Businesses concentrated on profit maximizing opportunities. With time, efforts to conserve the environment lessened as the Ministry of Environment became weak and budget cuts to the Ministry became evident. Much project development was being carried out on what were once protected areas and there were no restrictions or taxes levied on factories polluting the environment.

ANNEX 2: WHAT FUTURE - ALTERNATIVE SCENARIOS

The biosecurity measures were insubstantial and the country suffered from pest infestations which attacked many local farms and their crops. As a result there was an increase in the importation of non-organic, unhealthy consumables which led to a shift from a healthier lifestyle, fuelling a large number of health-related issues such as obesity, cancer and cardio-vascular diseases.

The use of technologies were widely adopted and embraced across the island in different sectors. Efforts to improve the education system were rather successful compared to previous years, however, the outcomes of this were ineffectual as the system prepared students for low-skilled jobs rather than high skilled professional careers. As such, much of these prominent, high-skilled jobs were occupied by expatriates which created extreme tensions between local and foreign workers.

While the economy thrived, the issues of drug use and trafficking remained. The Anti-Narcotics Bureau failed to control the predicament as most of the agents were corrupt and accomplices to these illegal activities. As the country became richer, inequality became significant and greed took over the nation. Corrupt politicians brought forth their own agenda for their own gains which led to misallocations of resources, poor leadership in achieving the long-term vision and weak decision making. The welfare of Seychellois was no longer a priority.

As the state of the environment degraded, Seychelles was no longer an attractive destination for tourists. The black parrot became extinct; the giant tortoises became endangered and many palm trees including the famous Coco de Mer were affected by pest infestations. The government tried to alter focus and marketed Seychelles for its world class Blue Economy within the tourism sector. Millions and millions were spent to create what was known as coastal and ocean-related tourism. This involved dive tourism, surfing, cruises, maritime archeology and recreational fishing operations. However, a severe global recession in Europe had immediate consequences on the economy. Tourism numbers dwindled and the tourism sector crashed.

Not long after the incident, Seychelles experienced a lengthy period of drought. Many of the dams were dry and the desalination plant was not producing what was required to sustain businesses, households and schools. Water became an expensive commodity. Again, farmers suffered considerably. The heat was persistent and this created many bush fires around the island. After months of dryness, rainy seasons began. Dams were full but there were increases in the number of mosquito-related illnesses caused by improper water storage. Due to the unpreparedness and inability to react quickly to the situation, many children suffered and many Seychellois lost their lives. Some were unable to go back to work which caused a great burden on social welfare.

Meanwhile the situation was aggravated by a tsunami alert which had been sent out to all Indian Ocean Countries. Victoria was flooded up to 4 feet high and businesses were left idle for weeks although many were encouraged to work from home. After the tsunami, many businesses went bankrupt and many were left unemployed. The flood destroyed many infrastructures. The raging waves forced fishermen to stay ashore. This lowered food security while the cost of living escalated. Anti-social activities, such as crime, theft and prostitution emerged and reached an all-time high. As a result of parting from renewable energy sources, there were lengthy periods of power outage which caused great frustration amongst many, especially the business community. Civil unrest occurred every now and then.

With the resurgence of piracy, many fishing fleets and cargo vessels came under attack. Cruise ships were threatened as a result many avoided the area. Cargo vessels were hijacked along with many of the country's imports. Local products were insufficient to support the entire population's needs. Prices continued to inflate. Poverty issues worsened. Some foreign workers travelled back to their homes as the business environment was no longer conducive as a result of personal attacks by locals. The Blue Economy went downhill from there. The Government was unresponsive and corruption worsened.

Many Seychellois sought refuge in neighboring countries while others escaped to Europe. The ones left behind were incompetent, unmotivated and poorly educated. This created greater pressures on the ageing population as the unemployment rate accelerated. Regional war worsened the situation as the government fell into a state of desperation. Many islands of the Seychelles were sold in order to sustain the people who remained. The number of deaths per day was alarming. Conditions under which people were living were deplorable. The government had failed, the systems were weak and many suffered from bad decision making by corrupt politicians. Famine and war became major issues. Loud outcries around the island were felt across the world and Seychelles was portrayed as a distressed nation in international news. The possibility of a coup was imminent. The country's brand was tarnished and the Seychelles known to many in previous years, ceased to exist.



STATUS QUO

By 2033, Seychelles economy is on the verge of another meltdown and is no longer able to sustain the socio-economic needs of its people. Popular expectations have not been met by the country's dominating state. A powerful and once popular socialist government has destroyed the country's democracy as well as its economy. The downward slide seems to have no end, and life for citizens is awful. In 2032, failing to diversify, the economy of the country has stuck to traditional sectors which has led to economic decline in Seychelles. Much of the potential value from the tourism and tuna fishery is transferred abroad because of poorly developed value chains. On the bright side, large-scale advocacy has reduced the pace of global warming and the specter of catastrophic climate change no longer hangs over Seychelles. The big question remains – how did it get to where it is?

Following the global economic crisis in 2008, Seychelles encountered a balance of payments and debt crisis. With the support of the IMF and the World Bank, the government conducted prudent macroeconomic policies and implemented comprehensive and bold structural reforms. These reforms led to strong economic growth as well as noticeable improvement in the country's fiscal and external position. By 2017, Seychelles had made considerable progress toward macroeconomic stability. In spite of remarkable progress and positive results, achieved through the reforms, by 2018 Seychelles still faced vulnerabilities and pressures as a small island economy in a challenging global economic environment.

Despite this progress, Seychelles had still not implemented any major economic transformation programs. The successes enjoyed since 2008 have made the government complacent. The tourism model had done well, and it was felt there was no need to do anything different, despite the fact that the number of alternative destinations worldwide offering similar and often better, cheaper and more modern packages, was escalating. Being a small, isolated island economy, Seychelles was therefore highly vulnerable to competition in the global market and to the whims of the global economy. The increasing costs of imports of fuel and basic living commodities remained a major concern for the population at large, while input costs to the tourist industry continued to make the tourist packages even more expensive and less competitive.

Seychelles was faced with a number of challenges in terms of deepening or diversifying the sources of growth including:

- Very small population, which restricts its ability to benefit from economies of scale in products and specialized services.
- Relatively isolated location
- Small pool of local skilled labor and high cost of transportation and energy
- Vulnerability to external shocks
- The limited land space
- Challenges in the business environment

Faced with these challenges coupled with the lack of political commitment from the Legislative arm of Government the blue economy roadmap was highly criticized. Continued efforts to diversify the economy under the “Blue Economy” initiatives would have gone a long way toward promoting shared prosperity, as would other initiatives to develop the agriculture and financial services sectors. However, faced with the lack of commitment and support, the Blue economy road map is abandoned and policies that the government develops for the fishing industry are also deadlocked.

Left with no clear strategies on how to diversify the economy, Seychelles continued its reliance on the two traditional sectors, tourism and fisheries, despite the high risks associated and the changing global environment in which they were operating.

ANNEX 2: WHAT FUTURE - ALTERNATIVE SCENARIOS

Initially, with the growth in airline arrivals on Mahé, the return of the British Airways offering non-stop flights from London to Seychelles, the revival of cruise tourism and sustained marketing efforts in existing, new and emerging market places, the tourism industry continued to bloom with a record growth in visitor arrivals recorded for the period.

Since the birth of tourism in the early 70's, the great attraction of the island has always been the winning combination of a spectacular sun sea and sand vacation combined with a near perfect climate and safe environment. In the absence of clear strategies for improvements in the industry based around diversification in order to add value to our tourism products to entice the visitors to spend more, this left huge untapped opportunities for more revenues from the industry. Failing to broaden beyond the traditional western European demographic, or to offer new tourism products and modernize, Air Seychelles faced huge difficulties and had to scale down on its operation, resulting in the mass layoff of employees.

Following growing concerns about over-fishing in the Indian Ocean Region, in 2016 IOTC took the decision to place a quota on the yellow fin tuna catch allowance starting from 2017. This led to a period of the lowest and declining recorded fishing activity in Seychelles. The impact was particularly felt in the domestic tuna-canning industry (IOT) which is Seychelles' largest source of export revenue. Canned tuna production fell because of the lower fishing quotas for the EU vessels in Seychelles waters. Thus, the IOT factory had to scale down its operations and lay off half of its workforce. The cost of living in Seychelles continued to increase considerably, first via an increase in electricity tariffs that lead to increases in the cost of basic commodities, as merchants had no option but to pass the increases to consumers. Air Seychelles and some other state-owned companies continued to face huge difficulties and had to scale down. Unemployment is higher than ever experienced before.

With the two main pillars greatly affected, the economy of the country begins to take a downturn. This impacts on the national budget whereby the country is faced with a deficit in the balance of payments and to compensate for the loss in revenue, government had to use its reserve, - which by 2028 proved to be not sustainable.

Given the fact that most of the products consumed in Seychelles are imported, in the face of balance of payment problems, the Government has now to use the reserve money to pay for imports of basic commodities.

The country was also faced with an unprecedented epidemic of heroin abuse. An increase in crimes rates whereby drug addicts looking for their next "fix" frequently robbed tourists and locals alike. The negative advertisements over social media affected negatively on Seychelles safety label as a tourist destination. Tourism, which had been throughout the years the main earner of foreign exchange in the country, was now on the decline, affecting the revenue of the country. Although a lot of emphasis had been placed on making public services more efficient and effective, a considerable number of government departments have not been as successful as one would have desired. The public sector labored, experimenting with but quickly abandoning the latest fads in public management. Due to political pressure, the two pillars of the results-based management policy, which was being implemented by government was abandoned half-way through. Corruption, mismanagement, and complacency were the order of the day with the civil service weak and processes more bureaucratic than ever before.

For all the benefits that technological advancement promised to offer, unfortunately government turned a blind eye and did not emphasize or invest in the necessary infrastructure and training to benefit from and keep up with technological advancement. Businesses and government, as well as banks and financial services could not offer what was taken for granted by the rest of the world. Tourists and international experts brought to modernize the economy, who were used to high broadband connectivity and fast access to global services, were dismayed at the archaic IT infrastructure, and left the islands frustrated, advising the world through social media of Seychelles' shortcomings. Opportunities to use technology to improve education and health services were wasted by a combination of apathy and complacency

International environmental movements had created much awareness leading to environmental protection and better awareness of the consequences of climate change. Seychelles was an active supporter of all environmental conservation measures and prepared well for potential natural disasters to which the islands were exposed. Thus, climate change

had little effect on Seychelles. However, the commitment of 30% of its ocean EEZ as a marine conservation reserve and its eagerness to be a global leader in environmental conservation placed over restrictions on economic activities which would have stimulated growth and generated employment. This had a suffocating effect on the blue economy development, on fishery development, as well as on tourism, infrastructure and agriculture restructuring. Economic transformation was constrained by the over-emphasis on environmental protection.

Faced with dire economic conditions and in a desperate attempt to put the economy of the country back on track and to try to reverse the situation, a new tourism strategy was adopted encouraging mass tourism. Given the small size of the country, this put a lot of pressure on the environment and the infrastructure, and increased migrant labour to service the growing, low value tourist sector. The results were counterproductive, creating unwanted social, environmental and economic problems

By 2033, government financing on social programmes such as education and health infrastructure is greatly affected. There are regressions on social ills and crime rates and increasing demand on social assistance and increased pressure on the health system caused by the rise of communicable diseases created by the increased traffic of low quality tourists and migrants whose health status was not properly checked. Unemployment is at its highest and the people take to the street demanding fresh elections demonstrating lost faith in the current administration as the people of Seychelles wanted better living standards and better opportunities.



Atlixerene

EXODUS

In 2033, the population of Seychelles has fallen by 30%; most people have left for opportunities abroad. Those who remain behind are unemployed, many are homeless and the society is plagued by violence. The two main pillars of the economy are shadows of their former selves. The departure of investors has left the economy stagnant with unemployment at an all-time high. The country is attempting to recover from environmental disasters linked to climate change such as mudslides and coral bleaching that have forced artisanal fishermen out of their traditional employment. The government is too weak and corrupt to be effective. Calls for a revolution are heard throughout the country. While neighboring countries have progressed immensely technologically, Seychelles finds itself cut off from the world. Few foreign governments have offered help due to worldwide, right wing populism and Seychelles has instead been dismissed as a failed state with a population fleeing as political and environmental refugees.

Seychelles found itself in this state because of poor governance. The government never implemented its strategies for economic transformation and climate change resilience as laid out in Vision 2033. This was due to institutional weaknesses, lack of coordination between institutions, poor leadership, political infighting and corruption. Without any policy guidance, the business community stuck to the traditional business model of opening new hotels and investing in fishing, while programs for climate change resilience never materialised.

This meant that the undiversified economy was susceptible to external shocks. Fisheries exports took a hit when stringent limits on the harvesting of various tuna species was imposed by the Indian Ocean Tuna Commission (IOTC). In the aftermath of this limit, Seychelles faced foreign exchange shortages, the closure of large fishing businesses, and rising unemployment. Renewed operation by pirates in the region also exacerbated the difficulties within the fishing sector. Closer to home, rising sea levels wreaked havoc on the coral reefs which impacted the livelihoods of artisanal fisherman and threatened to destroy a whole way of life. As for tourism, Seychelles was so dependent on this sector that a prolonged global recession and the subsequent decrease in tourism arrivals precipitated a recession in Seychelles as well. Pirate activities in the region also affected the image of Seychelles as a safe destination.

The government made few efforts to address these issues, to the point where economic uncertainty led to protests and general social dissatisfaction. The society began fracturing along economic and ethnic lines. Community leaders blamed the economic hardship on immigrants which led to a spate of xenophobic violence. Greater Victoria began to take the appearance of slums as the unemployed and disenfranchised attempted to eke out a living through any means, including illicit activities.

The government's lack of support was starker and foreboding when it came to science, technology and innovation. Plans for linking Seychelles to India via submarine cable fell through because of poor planning and infighting about how the project should be financed. This greatly affected Seychelles' ability to diversify into the ICT and financial services sector, in which its neighbour Mauritius soon became a leader. Proposals for medical tourism through telemedicine, infrastructure development and the recruitment of high skilled professionals also fell through because of continued poor international connectivity. Furthermore, it was revealed that vast portions of the money allocated for the medical tourism project had been misappropriated by some people associated with the project. Even small scale innovative ideas failed. For example, a group of Seychellois businesses asked the government for help in setting up a seaweed harvesting and processing enterprise in an attempt to make up for lost fishing revenue, but their application for a licence was delayed by never-ending environmental studies.

Exacerbating the general economic misery, the effects of climate change began making itself felt. The government was, unprepared to deal with climate change-induced variations in weather patterns. The worst drought on record happened during those 15 years and insufficient dams, reservoirs and desalination plants meant that the taps ran dry for days. This dry spell affected tourism establishments particularly severely since they could not provide the same level of service to their customers. Subsequently, the decline in tourism arrivals that began with the recession, pirate attacks, and crime,

continued unabated. When rain finally came again, it came in torrents. The parched hillside easily gave way to mudslides across Mahé and Praslin. Homes were destroyed and people were killed. Economic activities came to a standstill and tourism dried up completely. The Department for Risk and Disaster Management (DRDM) was too understaffed and ill-equipped to manage the situation properly. The population began to grow restless with the government ineptness which resulted in violent protests by the marginalized poor. Many local businesses shut down during this period; their owners preferring to leave for more stable countries. Professionals and those who could afford it followed suit and the mass exodus started.

The government finally attempted to rectify these issues. However, the same problems that prevented proper implementation of development strategies at the beginning of the period were still present. Ministries, Departments and Agencies (MDAs) were poorly managed and continued operating in silos. The efforts at improvement by one MDA was often cancelled out by another. Outdated systems and mind sets made it difficult to implement the plans efficiently. Furthermore, politics had become a game of accusation, threats and favours. Government leadership became dominated by self-serving politicians who, unchallenged, defrauded the government.

IMPLICATIONS AND INTERPRETATION OF THE SCENARIOS

The Garden of Eden is the vision we have for Seychelles in 2033. It is an ambitious but achievable vision for the country. However, this scenario outcome will only occur if the national development strategies described later in this document are put in place and properly implemented, with due emphasis on jointly-identified priority strategies and projects. Socio economic transformation is vital for the continued development of the nation and the achievement of the goal of a principled and prosperous nation of healthy, educated and empowered people engaged with the wider world. A change of mindset to see Seychelles as a large ocean nation rather than a small island state is necessary if the rich resources of the blue economy are to be realized sustainably – an important component of the required transformation. Transformation of tourism, the main pillar of our economy, is also essential if its success is to be maintained in an increasingly competitive and changing global environment. Government's role in facilitating the socio economic transformation is highlighted in the scenario, as is the importance of tackling the social and cultural challenges, and the need to adapt and exploit the huge global technological advances which will enable us to access and utilise global knowledge, expertise and facilities more effectively.

But the achievement of the desired Garden of Eden also requires strategies which ensure we are resilient to external shocks and influences. Our small islands in the middle of a vast ocean and our small population make us very vulnerable to external factors, which can quickly and devastatingly change the fortunes of the nation. Strategies and policies have to be put in place which make us less vulnerable and resilient to these potential shocks and influences – e.g. climate change effects, epidemics, regional or global conflicts, global recession, piracy, oil spills, etc..

The scenarios also highlight the inter-connectedness of strategies and events across sectors. For example, effective development and implementation of the blue economy will only happen if the right skills are developed; that the port infrastructure is modernized; that the IT infrastructure is brought up to, and beyond, modern standards; that an effective migration policy for skilled and unskilled labour is implemented, which has an effect on the housing and health infrastructure and the social fabric and culture of the nation. Adopting this systemic view, which is highlighted by the scenario approach, is essential for successful development and implementation of the NDS and the achievement of the Vision.

But the scenarios also highlight what could go wrong, leading the nation to a less desired future, and in some cases, to a devastating outcome. It is important to learn these lessons through logically consistent stories (scenarios) rather than learn the hard lessons through actual experience. Key lessons which emerge from the scenarios include (amongst others):

- The dangers of complacency – in government, as well as amongst the general population. Inaction by government to put the necessary strategies, policies and initiatives in place. Complacent attitudes, such as “tourism is going fine, why do we need to change anything?” This is particularly highlighted in “Oli Problem”
- Economic transformation and diversification is essential if we are to be resilient to global competition and to external shocks and influences. Failure to transform and diversify could lead to dire outcomes as highlighted in “Exodus” and “Oli Problem”
- The generous welfare state system will be unsustainable if we do not reach the Garden of Eden, which will result in a very dissatisfied population, likely unrest, possible ethnic clashes with migrant workers, and increasing social problems.
- Failure to coordinate and cooperate on strategies between the public and private sectors and civil society will lead to slow and ineffective implementation of the strategies and possible negative social consequences. This highlights the importance of government’s role in establishing a strong enabling environment for development.
- The social ills, anti-social behaviour, inequalities, housing and migrant policies need to be tackled with urgency, as they could have serious negative effects on the culture and very fabric of society and, in turn, on the main pillars of the economy.
- Environmental protection is central to achieving our vision, but there is also a danger of over-restrictive environmental agreements and policies stifling economic development and employment and the achievement of the vision.
- Corruption and self-serving governance is the cancer which will destroy the future of the nation, and must be rooted out before it can take hold.
- Access to, and adoption of, new technology underpins the strategy to create a modern dynamic state. It is imperative that the enabling technology infrastructure is established, and the nation’s education system is geared towards producing appropriately skilled citizens. Access to global expertise through selected partnerships and joint ventures, and through focused, skilled migrant policies are absolutely essential for the achievement of the vision.
- Rapid growth and increasing wealth will further strain the capability of the nation’s infrastructure. Unless urgent attention is paid to modernising and revitalising the public transport systems, the energy and water facilities, the internet capacity, the port and airport, and housing these will become major constraints to the much needed socio-economic transformation.
- Brain drain, which we cannot afford, is a real possibility if the transformation does not materialise.

ANNEX 3:

RISK MANAGEMENT STRATEGY

Description of risk	Likelihood of occurrence	Potential impact	Mitigation Strategy – Action	Responsibility
1. Funding	Likely	Medium	<ul style="list-style-type: none"> • Mobilise resources locally • Raise funds by engaging the private sector • Provide incentives for diaspora community to invest • Attract investors to finance projects 	<ul style="list-style-type: none"> - Ministry of Finance, Trade, Investment and Economic Planning - Private sector organisations
2. Complacency	Likely	High	<ul style="list-style-type: none"> • Monitoring and evaluation framework for NDS • Effective communication of NDS and on the concept of “ownership for all” • RBM 	<ul style="list-style-type: none"> - All MDAs - RBM custodians (Department of Economic Planning, Department of Public Administration, Department of Information, Communications and Technology)
3. Drugs and social ills	Probable	High	<ul style="list-style-type: none"> • Strengthen prison and justice systems • Educate the population about substance abuse – starting at a young age and sustaining the campaign • Introduce rehabilitation programmes for people recently released from prison • Strengthen programmes for prevention of drug and alcohol abuse and rehabilitation of addicts • Engage civil society to facilitate the participation of everyone in the economy • Realign the social protection system to focus more on helping people participate in the economy 	<ul style="list-style-type: none"> - Judiciary - Department of Prison - Agency for the Prevention of Drug Abuse and Rehabilitation - Department of Social Affairs - Seychelles Police - Ministry of Family Affairs - Agency for Social Protection

Description of risk	Likelihood of occurrence	Potential impact	Mitigation Strategy – Action	Responsibility
4. Corruption	Probable	High	<ul style="list-style-type: none"> • Strengthen the justice system to ensure independence and impartial administration of the law • Enhance transparency within public sector institutions and state-owned enterprises (SOEs) • Improving the enforcement of laws and regulations • Education campaigns to mobilise the public against corruption and other malpractices within society • Promote an independent media and a strong civil society to hold institutions accountable 	<ul style="list-style-type: none"> - Anti-Corruption Commission - Judiciary - Seychelles Police - National Assembly - Civil Society
5. Political	Possible	High	<ul style="list-style-type: none"> • Promote political maturity among members of society and politicians • Improve the application of the democratic principles and practices • Further ensure “ownership by all” of the NDS 	<ul style="list-style-type: none"> - National Assembly
6. Technological capability	Likely	High	<ul style="list-style-type: none"> • Encourage institutional development to create an innovative and robust STI ecosystem • Promote the use of STI 	<ul style="list-style-type: none"> - Department of Information, Communications and Technology - National Institute for Science, Technology and Innovation

Description of risk	Likelihood of occurrence	Potential impact	Mitigation Strategy – Action	Responsibility
7. Decline in tourism	Possible	High	<ul style="list-style-type: none"> • Capitalise on the destination’s features and distinctiveness through effective marketing strategies • Develop new products that reflect travellers’ changing socioeconomic demographics and values • Become familiar with the profile of tourists • Plan and control tourism development, e.g. construction of hotels • Orchestrate marketing for the target clientele • Encourage locals to take part in the success of the Seychelles brand e.g. marketing, small tourism-related businesses, tourism employment, etc. 	<ul style="list-style-type: none"> - Ministry of Tourism - Seychelles Tourism Board (STB) - Seychelles Hospitality and Tourism Association (SHTA)
8. Market	Probable	High	<ul style="list-style-type: none"> • Currency risk hedging instruments • Set quantitative limits on the size of any deviation from the benchmark in terms of currency, duration, or credit that may be permitted by those responsible for the investment of reserves. • Strengthen internal control procedures, portfolio construction, tranching of reserves and strategic asset allocation • Strengthen administrative regulatory capacities with regard to the negotiation, implementation and ongoing management of trade agreements • Exercise prudential regulatory framework for the banking sector • Promote a strong banking sector • Maintain the focus on building up fiscal buffer (by reducing debt) and keep the flexible exchange rate regime so that FX can help absorb shocks 	<ul style="list-style-type: none"> - Ministry of Finance, Trade, Investment and Economic Planning - Central Bank of Seychelles - Private sector

Description of risk	Likelihood of occurrence	Potential impact	Mitigation Strategy – Action	Responsibility
9. Health Pandemics	Likely	Extreme	<ul style="list-style-type: none"> • Undertake all actions before, during and after a pandemic as recommended by WHO 	<ul style="list-style-type: none"> - Ministry of Health - National Biosecurity Agency - Department of Environment
10. Piracy in the region	Possible	High	<ul style="list-style-type: none"> • Enhance maritime security and governance and prevention of attacks and response to acts of maritime crime • Support the shipping industry by advising on self-protection measures on how to avoid, deter and delay pirate attacks • Review existing laws against or relating to piracy and enhance our ability to prosecute individuals for piracy • Build regional and international cooperation to enhance our ability to combat piracy 	<ul style="list-style-type: none"> - Seychelles Police - Defence forces (SPDF, Navy, Coast Guard)
11. Terrorism	Unlikely	High	<ul style="list-style-type: none"> • Develop and implement counterterrorism measures • Take security measures to protect people and organisations that could become the target of attacks • Introduce severe penalties following prosecution for people involved in terrorism 	<ul style="list-style-type: none"> - Seychelles Police - Defence forces (SPDF, Navy, Coast Guard)

Description of risk	Likelihood of occurrence	Potential impact	Mitigation Strategy – Action	Responsibility
12. Climate Change	Probable	High	<ul style="list-style-type: none"> • Become a global leader by promoting a prosperous low-carbon economy, including through climate-smart blue economy investments • Strengthen policies to include targets for emissions reductions, increased use of renewable energy, and increased energy efficiency • Introduce carbon pricing to reduce emissions • Strengthen climate change adaptation and awareness • Support innovation, research and development of technologies to combat climate change • Ensure collaboration within the country and beyond its borders to win the fight against climate change 	<ul style="list-style-type: none"> - Ministry of Environment, Energy and Climate Change - Seychelles Energy Commission - Ministry of Finance, Trade, Investment and Economic Planning - Public Utilities Corporation

ANNEX 4:

OVERVIEW OF PREVIOUS STRATEGIES

Aspiration 2013

Launched in the year 2003, the principal objective of ASPIRATION 2013 was to provide young people of Seychelles with a special opportunity to participate meaningfully in the creation of a vision for national development over the next 10 years, which would in turn guide them through to the realisation of their aspirations over the same time period. Over the course of March to May of 2003, young people were invited to participate in discussions held for all secondary schools and post-secondary institutions, as well as for other out-of-school youth from all the districts on Mahé, Praslin and the inner islands. In all, 59 sessions were conducted.

Aspiration 2013 had 21 thematic areas namely: (1) civil service, (2) tourism (3) public transport, (4) law and order, (5) health services, (6) housing (7) sports, (8) role of politics, (9) district authorities and facilities, (10) environment, (11) religion and spirituality, (12) education, (13) employment, (14) social services, (15) morality and values, (16) media, (17) agriculture, (18) fisheries and marine resources, (19) economy and cost of living, (20) recreation and leisure activities, and (21) cultural values.

Category	Indicator	2003	2013
Economic	GDP per capita	\$ 8,525	\$ 14,764.94 ¹
	Debt to GDP	176.98%	68.2%
	Number of tourist arrivals	122,000	229,064 ²
	Central Bank Reserves	US\$ 67 million ³	US\$ 425 million. ⁴
Social	Life expectancy	70.9	73.1 ⁵
	Human Development Score (Ibrahim Index of African Governance)	78.4	80.9
	Human Development Index (UNDP)	0.840	0.756
Governance	Ibrahim Index of African Governance Overall Score	68.8	71.4

Economic indicators showed that Gross Domestic Product (GDP) increased substantially from \$8,525 in 2003 to \$ 14,764 in 2013. Moreover, tourism arrivals dramatically increased over the 2003-2013 period from (122,000 to 229,064). The same can be said for the increase in Central Bank Reserves to an astounding US\$ 425 million in 2013. The period saw the global financial crisis of 2007 to 2009, in which Seychelles traversed through substantial macroeconomic reform in collaboration with development partners such as the IMF and the World Bank. Hence, the noticeable disparity between the 2003 and 2013 figures.

Source: The World Bank
National Bureau of Statistics: VISITOR ARRIVALS-WEEKLYBULLETIN(52/13)
CENTRAL BANK OF SEYCHELLES, QUARTERLY REVIEW, Vol. XXI, No 4 October – December, 2003
Central Bank of Seychelles, Annual Report 2013
National Bureau of Statistics

Social indicators revealed an increase in life expectancy from 70.9 in 2003 to 73.1 in 2013. Seychelles also made noteworthy strides in increasing the level of human development indicated by the increased Human Development score of the Ibrahim Index of African Governance.

On the governance front, progress was observed from 2003, with Seychelles attaining a score of 71.4 on the Ibrahim Index of African Governance. Note that President James Alix Michel took over power from his predecessor, President Rene, who retired in 2004. The bulk of the period covering Aspiration 2013, was therefore under the Michel administration.

Strategy 2017

Strategy 2017 was launched in March 2007 with the aim of consolidating Seychelles' social progress while accelerating economic growth. The strategy focused on doubling the nation's GDP by expanding the two main economic sectors: tourism and fisheries – while also developing new sectors to support development e.g. the financial sector.

While the strategy described ways to accomplish these aspirations, it did not include a comprehensive performance monitoring and evaluation framework that would have allowed for proper progress tracking. Another problem that affected the accomplishment of Strategy 2017 was the 2008 global financial crisis which occurred one year after its launch. This made it difficult to achieve many aspirations, especially the economic ones.

The assessment below is divided into three parts: economic aspirations, governance aspirations, social aspirations.

The main economic aspiration was doubling the nation's GDP in a decade. This was narrowly missed: in 2007, the GDP per capita was US\$ 8,722, while in 2017, the GDP per capita was US\$15,288. Another aspiration was to empower the private sector and relegate the government to facilitator rather than engine of growth. Spurred by the 2008 financial crisis, this aspiration has been partly achieved as evidenced by the wave of privatisation and the dramatic increase in new business registrations in the years after the financial crisis. However, the transition is not yet complete. The aspiration for more fiscal discipline has been met as shown by the consistent primary fiscal surpluses that the government has been running (except for deficits in 2011 and 2012). Furthermore, post-crisis reforms such as Public Financial Management (PFM) reforms, the setting up of the Seychelles Revenue Commission (SRC) in 2009 and the introduction of VAT in 2013 have improved fiscal policy in general.


As for the governance aspirations, between the period 2007 to 2017 there has been an increase in the number of entities with important oversight duties in government e.g. PEMC for the oversight of state-owned enterprises was created as an independent body in 2013 (pre-2007, no such oversight existed). The Public Officers Ethics Commission was set up in 2008 and ACCS was created in 2016. Results-based management (RBM) reforms were also launched during the period (2013), though RBM was not fully operational throughout government by the end of 2017. Furthermore, the crisis precipitated government restructuring that has streamlined some functions such as the creation of the SRC in 2009.


As for social aspirations, difficulties encountered in the education system meant that many school leavers lacked the capability for further study and high paying jobs. However, review of legislation was underway and new schemes were introduced (e.g. My First Job) to help with this.


Indicators	2007	2017
GDP per capita	US\$ 8,722	US\$15,288
Ease of Doing Business ranking	84 th of 175	93 rd of 190
% of formal employment in government (excluding SOEs)	27.8%	20.4%
Debt to GDP	145%	64%
Primary surplus as % of GDP	-2.3%	3%

ANNEX 5:


**ALIGNMENT OF
NDS PILLARS
TO SUSTAINABLE
DEVELOPMENT
GOALS AND
AGENDA 2063
GOALS**


Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>1. Governance</p>		<p>8. United Africa (Federal or Confederate)</p> <p>11. Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched</p> <p>12. Capable institutions and transformative leadership in place</p> <p>13. Peace, security and stability is preserved</p> <p>14. A stable and peaceful Africa</p> <p>15. A fully functional and operational APSA</p> <p>20. Africa takes full responsibility for financing her development</p>

Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>2. People at the Centre of Development</p>		<p>1. A high standard of living, quality of life and wellbeing for all citizens</p> <p>2. Well educated citizens and skills revolution underpinned by science, technology and innovation</p> <p>3. Healthy and well-nourished citizens</p> <p>18. Engaged and empowered youth and children</p>

Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>3. Social Cohesion</p>		<p>1. A high standard of living, quality of life and well-being of all citizens</p> <p>13. Peace, security and stability is preserved</p> <p>14. A stable and peaceful Africa</p> <p>15. A fully functioning and operational APSA</p> <p>16. African cultural renaissance is preeminent</p> <p>17. Full gender equality in all spheres of life</p> <p>18. Engaged and empowered youth and children</p> <p>19. Africa as a major partner in global affairs and peaceful coexistence</p>

Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>4. Science, Technology and Innovation</p>		<p>2. Well educated citizens and skills revolution underpinned by science, technology and innovation</p> <p>4. Transformed economies</p> <p>18. Engaged and empowered youth and children</p>

Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>5. Economic Transformation</p>		<p>1. A High Standard of Living, Quality of Life and Well Being for All Citizens</p> <p>4. Transformed Economies</p> <p>5. Modern Agriculture for increased productivity and production</p> <p>6. Blue/ ocean economy for accelerated economic growth</p> <p>9. Continental Financial and Monetary Institutions are established and functional</p> <p>10. World Class Infrastructure criss-crosses Africa</p>

Pillars of the NDS	2030 Agenda on Sustainable Development Goals	Agenda 2063 goals
<p>6. Environmental Sustainability and Resilience</p>		<p>5. Modern agriculture for increased productivity and production</p> <p>6. Blue/ocean economy for accelerated economic growth</p> <p>7. environmentally sustainable and climate resilient economies and communities</p>

ABBREVIATIONS & ACCRONYMS

ABBREVIATIONS AND ACCRONYMS

3D	THREE DIMENSION
ACCS	ANTI CORRUPTION COMMISSION SEYCHELLES
AML	ANTI MONEY LAUNDERING
ANHRD	AGENCY FOR NATIONAL HUMAN RESOURCE DEVELOPMENT
APDAR	AGENCY FOR THE PREVENTION OF DRUGS AND REHABILITATION
APSA	AFRICAN PEACE AND SECURITY ARCHITECTURE
ASP	AGENCY FOR SOCIAL PROTECTION
BADEA	BANQUE ARABE POUR LE DEVELOPPEMENT ECONOMIQUE EN AFRIQUE
BE	BLUE ECONOMY
BERI	BLUE ECONOMY RESEARCH INSTITUTE
BSO	BUDGET STRATEGY OUTLOOK
CBS	CENTRAL BANK OF SEYCHELLES
CJSOI	COMMISSION DE LA JEUNESSE ET DES SPORTS DE L'OCEAN INDIEN
CO2	CARBON DIOXIDE
DICT	DEPARTMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY
DoIED	DEPARTMENT OF INDUSTRY AND ENTREPRENEURSHIP DEVELOPMENT
DPA	DEPARTMENT OF PUBLIC ADMINISTRATION
DRDM	DEPARTMENT OF RISK AND DISASTER MANAGEMENT
EEZ	EXCLUSIVE ECONOMIC ZONE
EPI	ENVIRONMENT PROTECTION INDEX
e-RBM	ELECTRONIC RESULTS BASED MANAGEMENT
ESA	ENTERPRISE SEYCHELLES AGENCY
EU	EUROPEAN UNION
FDI	FOREIGN DIRECT INVESTMENT
FinTech	FINANCIAL TECHNOLOGY
FSA	FINANCIAL SERVICES AUTHORITY
FSW	FEMALE SEX WORKER
GDP	GROSS DOMESTIC PRODUCT
GEF	GLOBAL ENVIRONMENT FUND
GERD	GROSS EXPENDITURE ON RESEARCH AND DEVELOPMENT
GNI	GROSS NATIONAL INCOME
GOP	GAINFUL OCCUPATIONAL PERMIT
HCI	HUMAN CAPITAL INDEX
HDI	HUMAN DEVELOPMENT INDEX
HIV	HUMAN IMMUNODEFICIENCY VIRUS
HR	HUMAN RESOURCE
IBBS	INTEGRATED BIO-BEHAVIOUR SURVEY
ICT	IFORMATION AND COMMUNICATION TECHNOLOGY
IECD	INSTITUTE FOR EARLY CHILDHOOD DEVELOPMENT
IFI	INTERNATIONAL FINANCIAL INSTITUTIONS
IGCSE	INTERNATIONAL GENERAL CERTIFICATE OF SECONDARY EDUCATION
IMF	INTERNATIONAL MONETARY FUND
IOCC	INDIAN OCEAN CLUB CHAMPIONSHIP
IOT	INDIAN OCEAN TUNA
IOTC	INDIAN OCEAN TUNA COMMISSION
IT	INFORMATION TECHNOLOGY
kt	KILO TONNES
LNG	LIQUIFIED NATURAL GAS
LWMA	LANDSCAPE AND WASTE MANAGEMENT AGENCY
MDA	MINISTRIES DEPARTMENTS AND AGENCIES
MDG	MILLENNIAL DEVELOPMENT GOALS
MEECC	MINISTRY OF ENVIRONMENT ENERGY AND CLIMATE CHANGE
MEICS	MINISTRY OF EMPLOYMENT IMMIGRATION & CIVIL STATUS
MFA	MINISTRY OF FISHERIES AND AGRICULTURE
MHILT	MINISTRY OF HABITAT, INFRASTRUCTURE, LANDS, AND TRANSPORT
MIC	MIDDLE INCOME COUNTRY
MICE	MEETINGS INCENTIVES CONFERENCES EVENTS
MoFTIEP	MINISTRY OF FINANCE TRADE INVESTMENT AND ECONOMIC PLANNING
MOH	MINISTRY OF HEALTH
MSM	MEN WHO HAVE SEX WITH MEN
MSME	MICRO SMALL AND MEDIUM ENTERPRISES

MSP	MARINE SPATIAL PLANNING
MTFF	MEDIUM TERM FISCAL FRAMEWORK
NAC	NATIONAL ARTS COUNCIL
NBS	NATIONAL BUREAU OF STATISTICS
NCD	NON COMMUNICABLE DISEASES
NDS	NATIONAL DEVELOPMENT STRATEGY
NGO	NON GOVERNMENTAL ORGANIZATION
NISTI	NATIONAL INSTITUTE OF SCIENCE TECHNOLOGY AND INNOVATION
NKMEP	NATIONAL KNOWLEDGE MANAGEMENT ENGAGEMENT PLATFORM
NWG	NATIONAL WORKING GROUP
ODA	OFFICIAL DEVELOPMENT ASSISTANCE
OECD	ORGANISATION OF ECONOMIC COOPERATION AND DEVELOPMENT
OFC	OFFSHORE FINANCIAL CENTRES
OFID	OPEC FUND FOR INTERNATIONAL DEVELOPMENT
OGP	OPEN GOVERNMENT PARTNERSHIP
OPEC	ORGANISATION OF PETROLEUM EXPORTING COUNTRIES
PEMC	PUBLIC ENTERPRISE MONITORING CORPORATION
PFM	PUBLIC FINANCIAL MANAGEMENT
PHC	PRIMARY HEALTH CARE
PISA	PROGRAM FOR INTERNATIONAL STUDENT ASSESMENT
PM&E	PERFORMANCE MONITORING AND EVALUATION
PMC	PROPERTY MANAGEMENT CORPORATION
PMS	PERFORMANCE MANAGEMENT SYSTEM
POS	POINT OF SALE
PPBB	PROGRAMME PERFORMANCE BASED BUDGETTING
PPP	PUBLIC PRIVATE PARTNERSHIP
PSIP	PUBLIC SECTOR INVESTMENT PLAN
PUC	PUBLIC UTILITIS CORPORATION
PWID	PERSONS WHO INJECT DRUGS
R&D	RESEARCH AND DEVELOPMENT
RBM	RESULTS BASED MANAGEMENT
SAA	SEYCHELLES AGRICULTURAL AGENCY
SADC	SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
SCAA	SEYCHELLES CIVIL AVAIIATION AUTHORITY
SCR	SETCHELLES RUPEES
SDG	SUSTAINABLE DEVELOPMENT GOALS
SEAS	SEYCHELLES EAST AFRICA SYSTEMS
SEC	SEYCHELLES ENERGY COMMISSION
SEN	SPECIAL EDUCATION NEEDS
SFA	SEYCHELLES FISHING AUTHORITY
SHTA	SEYCHELLES HOSPITALITY AND TOURISM ASSOCIATION
SIDS	SMALL ISLAND DEVELOPING STATES
SME	SMALL AND MEDIUM ENTERPRISES
SNPA	SEYCHELLES NATIONAL PARKS AUTHORITY
SOE	STATE OWNED ENTERPRISES
SPA	SEYCHELLES PORTS AUTHORITY
SPDF	SEYCHELLES PEOPLES DEFENCE FORCES
SPTC	SEYCHELLES PUBLIC TRANSPORT CORPORATION
STB	SEYCHELLES TOURISM BOARD
STEM	SCIENCE TECHNOLOGY ENGINEERING AND MATHEMATICS
STI	SCIENCE TECHNOLOGY AND INNOVATION
SWOT	STRENGTHS WEAKNESSES OPPORTUNITIES AND THREATS
TGMI	THE GUY MOREL INSTITUTE
TVET	TECHNICAL VOCATIONAL EDUCATION AND TRAINING
UN	UNITED NATIONS
UNDP	UNITED NATIONS DEVELOPMENT PROGRAM
US\$	UNITED STATES DOLLARS
VAT	VALUE ADDED TAX
WGI	WORLD GOVERNANCE INDICATORS
WHO	WORLD HEALTH ORGANIZATION

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