



National Consultation Report
Evaluation of First Ten Year Implementation Plan and
Formulation of Second Ten Year Implementation Plan of
Agenda 2063

Republic of Seychelles

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Introduction and country context.

Introduction

The 'Special Project', launched by the African Union Commission (AUC) and the African Union Development Agency (AUDA-NEPAD) in June 2022, aims to evaluate the First Ten Year Implementation Plan (FTYIP) and develop the Second Ten Year Implementation Plan (STYIP) of the Agenda 2063.

As the coordinating unit for the implementation of Agenda 2063, the National Planning Department (NPD) consulted stakeholders in the state and non-state arena with the aim to identify the shortcomings of the FTYIP and opportunities for improvement in the next decade of implementation.

Following group-specific stakeholder consultations, a national validation workshop held in September provided stakeholders with the opportunity for fruitful discussions regarding the implementation of Agenda 2063 at the national level. This report encapsulates the views of various stakeholders, including the public sector, private sector, media, academia and civil society. It brings forth the challenges experienced by Seychelles in the first decade of implementation and provides an overall perspective of the role that each stakeholder can play in the second decade.

Country Context

The Republic Seychelles is a small island state located off the East coast of Africa consisting of 115 islands, with a population of approximately 100,000. The country is considered a large ocean state given its Exclusive Economic Zone of 1.3 million km² compared to its landmass of 455km².

The economy is dominated by the services sector, primarily the tourism industry, which was adversely affected by the travel restrictions that resulted from the outbreak of the Covid-19 pandemic. The year 2020 presented many challenges for the Seychelles economy. As a result of the lack of adequate resources and capacity, the pandemic posed a significant burden on the health sector. On the economic side, the growth rate contracted by 7.7% and the debt-to-GDP ratio increased sharply to 92.2% from around 60% in the previous year, after years of efforts to reach the debt-to-GDP target of 50%.

The impact of the pandemic and the Ukraine war has necessitated the Government to shift focus towards alleviating the economic pressures on the population. Such measures, along with the fast recovery of the tourism industry, has resulted in a positive outlook for the Seychelles economy. Debt as a percentage of GDP has reduced to 67.9% and projections indicate an economic growth rate of 7.1% for the year 2022.

The economic outlook remains optimistic although with downside risks as the Seychelles economy is highly susceptible to exogenous shocks. In the context of global economic

and political instability, the Government has reaffirmed its commitment towards economic diversification, with a view to enhance resilience to future shocks.



Figure 1: Geographical Position of Seychelles

Social Development

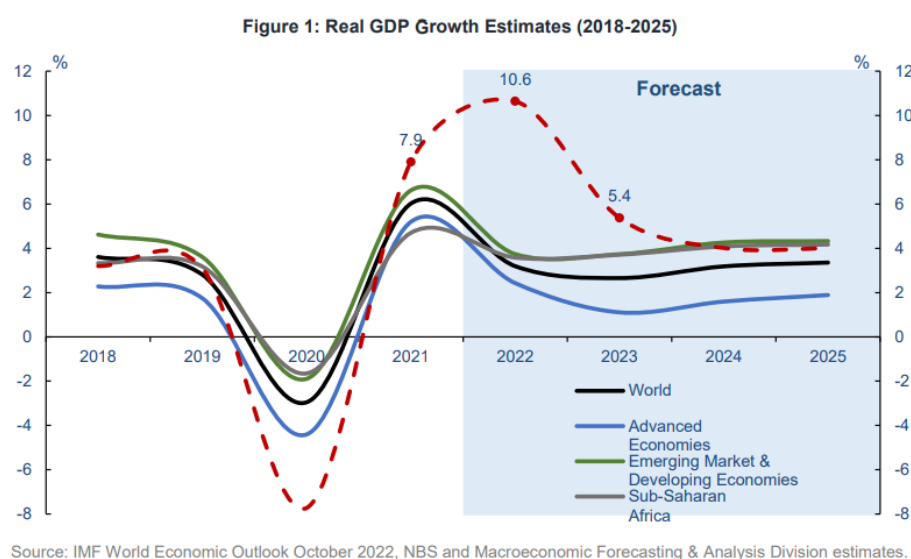
Seychelles' life expectancy of 73.65 years (2022) is relatively high compared to countries in the region but still lags behind its income-level peers, mostly because of the wide life expectancy gap between women and men. Seychelles has an ageing population, mainly due to increased life expectancy and a low and declining birth rate. Nevertheless, the projected population is expected to increase slightly over the next 25 years. Seychelles became the first African country to attain “very high” human development under the auspices of the United Nations Human Development Index (UNHDI) in 2019. This is largely attributed to the country's broad socio-economic policies which have boosted human capital. These include universal access to primary healthcare as well as to education, from early-childhood to tertiary level.

Economic Development

Following 2021's strong commencement of recovery, 2022 economic performance projections remain very positive as this year's GDP growth is estimated at 10.6 per cent,

mainly supported by the rebounding tourism industries. Year-to-date tourism arrivals have surpassed that of 2021 as a whole, while total 2022 growth is estimated at 75 per cent, translating into double digit growth for the main tourism sectors and a positive impact on overall economic activity across all productive sectors. 'Information and communication' activities have remained buoyant and is estimated to grow by 10 per cent in 2022 spurred by increasing data traffic, while the 'Financial and insurance' activities sector growth remains steady at 2 per cent. Despite the momentum in manufacturing of beverages and tobacco, and some resurgence in the manufacturing of concrete products, the production of fishery products is estimated to contract by 8 per cent following continued challenges.

Figure 2: Real GDP Growth Estimates (2018 – 2025)



Environment and Climate Change

The Seychelles land mass is a mere 455km², a high percentage being mountainous areas, protected on account of unique biodiversity or watershed protection. The majority of constructible land is along the coast, where the country's essential infrastructure (housing, hospitals, schools, transportation network, air and seaports), and businesses, sports and leisure activities take place. Like in most Small Island Developing States (SIDS), there is a high demand for land for development while considering the mitigation from climate change adversities on government and private developments.

Seychelles is rich in endemic species and has long-adopted a strong environmental conservation programme. Internationally recognized as a biodiversity hotspot, Seychelles was the first country in the western Indian Ocean region to designate part of its ocean territory as marine protected areas (with 30% of its Exclusive Economic Zone being

protected by law), and today about 50 per cent of its land territory remains under legal protection. This anchors Seychelles' position at the forefront of the region's environmental conservation efforts and promotes the Maritime Spatial Planning (MSP) sustainable blue economy concept, as well as solidifying its commitment to becoming a global leader in environmental conservation. The Protected Areas Policy (2013) greatly emphasizes the need to extend designated protected areas, in addition to making the Protected Areas System stronger. Being a large ocean state with scattered islands of limited land mass, Seychelles is highly vulnerable to strong winds, tsunamis, storm surges, extreme rainfall, flooding, landslides, rockslides and forest fires.

Seychelles is a regional champion for sustainable environmental management, and conservation, as well as in its efforts to spearhead renewable energy uptake in the country, with the world beginning to look to the islands for inspiration. To note, Seychelles' EEZ is currently ranked 9th out of 221 countries on the Ocean Health Index (OHI).

Champion of Climate Change adaptation and mitigation

Seychelles is honoring its submission of Nationally Determined Contributions (NDCs) as per the Paris Climate Accord with an updated, ambitious NDC covering all aspects of the economy, *'re-iterating and improving upon its conditional commitments towards increasing the reduction of greenhouse gas emissions from 188 ktCO_{2e}, stated in NDC 2015, to 293,8 ktCO_{2e} by 2030, concomitantly increasing its mitigation contribution and improving its adaptation strategies to effectively respond to climate change in the context of sustainable development, with a particular emphasis on Seychelles' Blue Economy, supported and enabled by technology, financing and capacity building.'* (NDC, 2021).

By reducing its reliance on imported fossil fuels for electricity generation, Seychelles is striving towards a climate smart, resilient economy, and self-sustaining pathway through energy efficiency and renewable energy. Seychelles will continue to work together with development partners to access *Climate Finance* for implementing the community-based mitigation and adaptation plans.

Vulnerability characteristics such as concentration of development on narrow coastal zones, non-resilient populations and ecosystems make the Seychelles extremely sensitive to climate change and its associated impacts economically, culturally and environmentally. The impact of climate change on coastal livelihoods as a result of sea level rise, storm and tidal surges, extreme sea-surface temperatures, and coastal flooding, is currently, and will continue to have serious consequences for livelihoods, life both on land and below water in the Seychelles if the target of 1.5 degrees is not met by countries who have ratified the Paris Climate Accord.

Overall Assessment of FTYIP of Agenda 2063

Key Achievements

Seychelles' economy experienced a stronger than initially projected growth and recovery from the COVID-19 pandemic. The swift recovery is mainly attributed to the rebound of the tourism sector, which is the country's main economic pillar. The tourism industry continues to experience strong growth. Thus far, the year-to-date figures show a notable increase of 126% in tourist arrivals. Nonetheless, the impact of the standstill of the tourism sector on the economy has highlighted the overreliance on the tourism sector and the need to pursue economic diversification. Correspondingly, the Government of Seychelles has committed to a Transformative Economic Agenda, which aims to build a resilient, inclusive and sustainable economy.

Seychelles spearheads the blue economy with the world's first debt-for-nature swap and sovereign blue bond. Such innovative finance mechanisms have supported the country's efforts to sustainably manage its large ocean space to support its fisheries industry, which is second main source of revenue for the country. Seychelles has also designated 30% of its waters as Marine Protected Areas (MPA) and has committed to the development of a comprehensive Marine Spatial Plan (MSP) which will establish the permitted activities within the MPA.

The financial sector pursues ongoing initiatives to put in place standards and frameworks that are aligned with international best practice to support its development. The government has made significant efforts to ensure a robust and effective AML/CFT framework in Seychelles, based on the recommendations of the Financial Action Task Force (FATF). Furthermore, Seychelles was removed from the European Union's list of non-cooperative jurisdictions for tax purposes in October 2021. This is an attestation to the government's efforts to strengthen Seychelles' compliance with international standards and requirements.

The socio-economic policies in Seychelles such as universal access to education, from early-childhood to tertiary level as well as to primary healthcare have played a significant role in boosting human capital. It is also worth noting that Seychelles was the first country in Africa as well as the Indian Ocean to achieve the rank of Very High Development Index (VHDI) in the United Nations Human Development Index (UNHDI).

The Government of Seychelles aims to ensure that the social protection system caters for the most vulnerable groups through the implementation of effective policies and programs. To this end, Seychelles has embarked on a social protection reform program to enhance the efficiency of the social protection system in line with international best practice, with the support of the World Bank.

To ease the impact of increasing commodity costs in the short term, the government introduced temporary support measures for low income earners in mid-2022. The measures include the SCR 300 contribution towards electricity bills and SCR 500 supplementary income for individuals who qualify.

The digital economy has been identified as a lever for economic diversification and transformation. The government has developed a 'National Digital Economy Action Plan', which provides the roadmap to achieving the digital economy's full potential. In the pursuit of a digital economy, the government continues to promote the incorporation of Information and Communication Technology (ICT) in education and the provision of effective employment services such as skills development programs to equip the youth with the relevant skills in order to accommodate for the labour market needs.

Implementation Arrangements

The National Planning Department, which was established in 2016, is the government entity responsible for coordinating the implementation, promotion, monitoring, evaluation and reporting of the African Union's (AU) Agenda 2063. The Department has made considerable efforts to ensuring the effective mainstreaming of Agenda 2063 into the National Development Strategy (NDS) 2019-2023 and the long-term national vision – Vision 2033 which were launched in August 2019. The development planning documents which emanated from a series of wide-stakeholder consultations serves as a roadmap to achieving sustainable and inclusive development in Seychelles.

Critical to ensuring the implementation of regional and international agendas, namely Agenda 2063 and the 2030 agenda for sustainable development in line with national priorities, the Department plays a central role in providing support and promoting synergies across and between many actors and organizations, including Civil Society groupings and the private sector. In 2013, Government adopted the Results-Based Management (RBM) framework with World Bank support which aims to improve the effectiveness and accountability of the public service. The RBM policy lays the foundations of a robust framework to enable a shift from traditional public-sector management to results-oriented management.

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

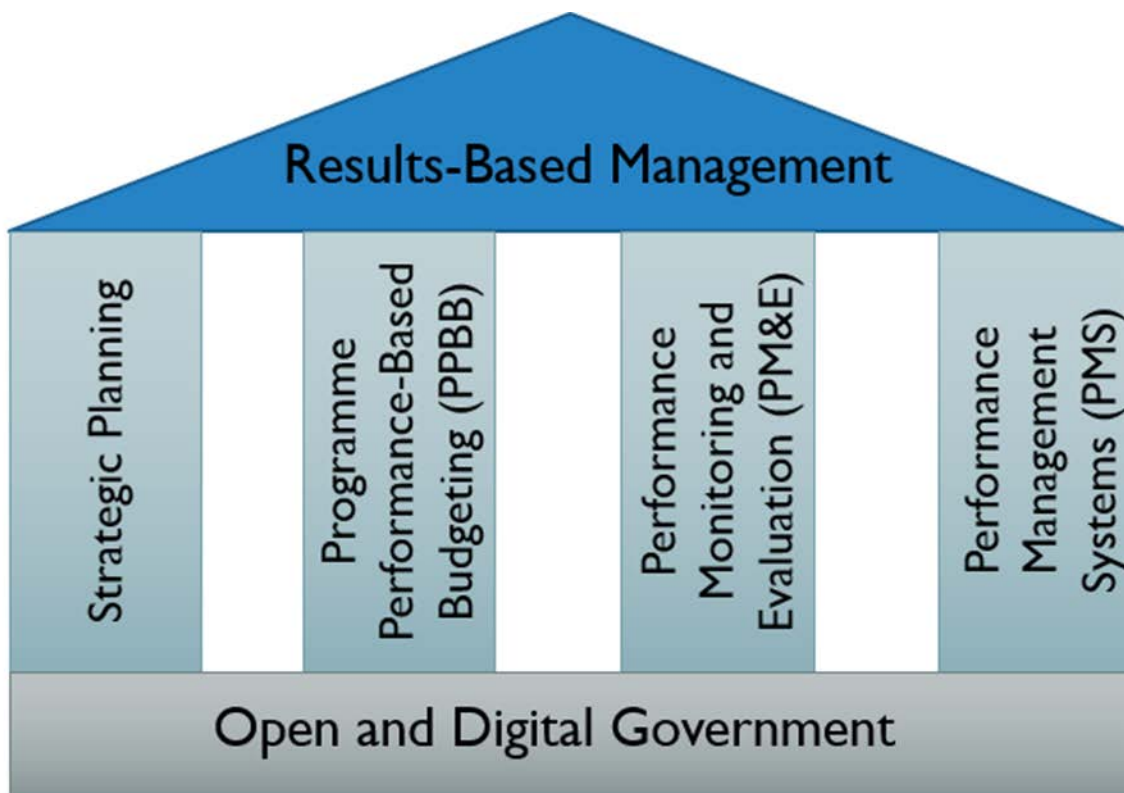


Figure 1: Structure of RBM in Seychelles

In line with the national priorities as per the National Development Strategy, government institutions are called to elaborate a portfolio-based sector strategic plan which highlights the strategic objectives of the organization. The plan includes a monitoring and evaluation framework which allows for the detailed tracking of progress. Through the strategic plans, organizations are allocated a budget which aims to support the implementation of the national and international development agendas. Despite the many challenges surrounding the alignment and mainstreaming of Agenda 2063 into national plans, policies and budget processes, Seychelles remains committed to working towards addressing the shortcomings and strengthening the alignment and mainstreaming process moving forward.

The Government of Seychelles leverages strong partnership with its development partners, peer countries and its key actors and groupings, both locally and internationally. Seychelles recognizes the fact that collective efforts, ownership by all and inclusivity are required to successfully achieve the aspirations and goals as set out in the implementation plans of Agenda 2063. Through a robust monitoring and evaluation framework, Seychelles continues its efforts to measure the progress of Agenda 2063 and has remained diligent in providing the necessary data for regional evaluation.

As with many countries, Seychelles continues to experience data challenges hindering effective monitoring of performance in line with our international commitments. Measures are currently being undertaken to ensure the strengthening of the National Statistical System (NSS) to further support the implementation and evaluation of the agendas. This includes the development of the National Strategic Plan for Statistics, an exercise spearheaded by the National Bureau of Statistics (NBS) which aims to modernize and strengthen the NSS in order to meet the increasing data demand.

Implementation Support

Seychelles benefits from technical and financial support from its development partners such as the AU and UN organizations, amongst others. Although there are continued efforts placed on the implementation of such broad agendas at regional and international levels, there is a need for development partners to consider each country's contexts and vulnerabilities to ensure adequate provision of support and no one country is left behind as result of adopting a 'one-size fits all' approach.

Key lessons from the First Ten-Year Implementation Plan (FTYIP) of Agenda 2063

The consultation sessions undertaken in the preparation of this report highlighted the lack of awareness of Agenda 2063, it also enabled the NPD to identify further opportunities to integrate the Agenda within national priorities which would allow for a more successful outcome going forward.

Though the lack of awareness has slowed down the comprehensive implementation of the Agenda, the feedback has identified that there are linkages between certain national priorities and the objectives of the Agenda.

As a first, Agenda 2063 encourages member states to adopt a digital transformation strategy. This is in line with the development of Seychelles' Digital Economy Agenda, which aims to enhance efficiency and productivity. Furthermore, the first Aspiration of Agenda 2063 recognises the potential of the blue economy as a vehicle for economic growth and development which is consistent with the objectives of the Blue Economy Department in Seychelles. The country is also actively participating in the negotiations towards the establishment of the African Continental Free Trade Area (AfCFTA), one of the flagship projects of Agenda 2063, which aims to promote intra- Africa trade as a driver of economic growth and development.

Notwithstanding that the Agenda was not explicitly considered in the formulation of national priorities, there exists alignments that shows consistency in objective and vision. Building on these consistencies will present opportunities to achieve further convergence and address gaps identified over the first decade of implementation. To this end, strengthened coordination within the public sector is necessary, especially to ensure the effective and efficient allocation of resources towards the implementation of the Agenda.

It is also recognised that it is important to re-invigorate the role of the 'National Oversight Strategic Committee for the Implementation of Seychelles' Regional and Global Commitments (NOSCIS)', which has the mandate to ensure that Agenda 2063 is integrated in the national planning process. This will ensure that an efficient and effective monitoring and evaluation framework is established to address challenges throughout the implementation of the Agenda. Going forward, it is also important to include other stakeholders such as the private sector, civil society, academia and the diaspora in the planning process.

Furthermore, the media plays a key role in promoting the Agenda given that it acts as a platform to educate the masses and encourage participation and engagement. The media is able to bring together voices from the different stakeholders and encourage discussions and sharing of information. The lack of awareness of the Agenda among the media practitioners has therefore hindered the potential of the FTYIP. In order to accelerate the implementation of the Agenda in the next decade, it is important to

recognise the media as an active partner and encourage the dissemination of information to different audiences.

Aspiration 6 of Agenda 2063 recognises the contribution of women and youth towards the creation of a prosperous Africa whose development is driven by the potential of its people. It has been noted that over the past decade, the civil society has not received sufficient support to encourage engagement and participation of youth and women. In this regard, it has been highlighted that support from the government and the African Union will be instrumental in helping the civil society to further the Agenda.

In addition, the diaspora has to date played a limited an informal role to the economy in general. Ongoing initiative by the Ministry of Foreign Affairs to develop a National Diaspora Engagement Policy brings promise of enhanced involvement and contribution from the diaspora towards the country's socioeconomic development and implementation of the Agenda.

There is also a need for enhanced collaboration between the public and private sector in effort to further the objectives of the Agenda. The increasing trend in innovative financing provides significant scope for growth and development in African countries. Public-Private Partnerships can be useful in helping economies to diversify and achieve further growth by involving private entrepreneurship and encouraging a coordinated approach to innovation and development.

As is the case with many other countries, the domestication of international initiatives through the country's national priorities remain a challenge. As Seychelles embarks on adopting the United Nations Economic Commission for Africa's (UNECA) Integrated Planning and Reporting Toolkit (IPRT) – a toolkit designed to improve development planning and financing capacities –efforts and resources are being directed to strengthening the support to aligning continental and global development agendas with its National Development Strategies as well as assess the progress made towards the achievement of Sustainable Development Goals and Agenda 2063 goals.

Proposed set of key priorities for the Second Ten Year Implementation Plan of Agenda 2063

Further to the evaluation process, it is clear that there is a need to enhance awareness of Agenda 2063 across MDAs and relevant stakeholders in a structured and coordinated manner. It is also important to identify priority areas to incorporate in the STYIP to bring Seychelles closer to the achievement of Agenda 2063. Based on the consultation undertaken, stakeholders have identified the following priority areas to be focused on for the next decade:

Economic and Environmental Resilience

Similar to other countries, Seychelles seeks to recover from the socio-economic impacts of the COVID-19 pandemic and the Russia-Ukraine conflict. In particular, strong emphasis is placed on economic diversification as a means of reducing the overreliance on the tourism industry, which was severely impacted by the Covid-19 pandemic. The next decade of action should thus support member states' initiatives to achieve economic transformation.

The impact of the pandemic also underscored the importance of ascertaining national food security. As Seychelles imports most of its food, the recent exogenous shocks have highlighted the importance of putting in place mechanisms to promote self-sustainability in food production. It is important to maintain initiatives to reduce reliance on imported food and ensure that Seychelles has sufficient capacity to feed its population.

As a SIDS, Seychelles is particularly susceptible to the effects of climate change, such as biodiversity loss, coastal erosion and sea level rise. Such effects pose significant threats to the sustainability of our economy, given the contribution of tourism industry and the blue economy to our development and livelihoods. On that note, it is acknowledged that the pursuit of economic progress should go hand-in-hand with environmental sustainability. This calls for amplified efforts in the area of climate change adaptation and mitigation in the second decade of implementation.

Development of People

A skilled workforce is the building block to socioeconomic development. Fundamental to this is an effective education system that aligns with the needs of the economy. Capacity development needs to reflect the vision of the economy and place people at the centre of development. In this context, education and career planning needs to give consideration to the country's economic vision and anticipated areas of growth and development. At the

same time, it is important to address social ills, such as drug abuse, which interfere with the ability to maximise the country's potential.

In general, there is a high proportion of youth engaged in such negative influences. It is recognised that a strong and empowered youth is fundamental to the achievement of the long-term vision of 'the Africa we want'. As such, there should be appropriate interventions to elevate the development of youth and empower them to achieve their potential.

Noting that Seychelles has an ageing population, it is important to ensure that the elderly is catered for through a sustainable social protection system. Similarly, with the aim of promoting an inclusive and non-discriminatory society, there is also the need to intensify efforts towards the protection of children, promotion of gender equality as well as the empowerment of people with disabilities. This should include strategies to increase awareness and thus reduce the rise of issues such as gender-based violence and child abuse.

Science, Technology and Innovation (STI)

STI plays a key role in the economic growth and development of a country. In particular, it contributes positively towards both labour and capital productivity and thus increases the likelihood of achieving sustainable, long-run growth.

The growing influence of STI has prompted the Government of Seychelles to place emphasis on STEM subjects in schools across the country. The Government has committed to further integrate ICT in the school curriculum with the aim of equipping youth with the necessary digital skills that will enable Seychelles to achieve its Digital Economy Agenda. To this end, the STYIP should place more emphasis on building STI capacities, which would enable Seychelles to attain an innovation-driven and knowledge-based economy, as outlined in the National STI Policy and Strategy 2016-2025.

Major considerations for the effective implementation of next plan

The National Planning Department reaffirms its commitment to ensuring the effective implementation of Agenda 2063. In this endeavour, NDP aims to comprehensively consider the overarching objectives of the Agenda in the formulating of the second National Development Strategy. As stakeholder involvement was limited or lacking during the first decade, there will be intensified efforts to engage relevant stakeholders during the second decade of implementation towards the adoption of a more inclusive and participatory approach.

It is recognised that successful implementation of the Agenda in the next decade would require the adequate allocation of resources to stakeholders. As a first step, there needs to be buy-in from the relevant Ministries to incorporate the Agenda within national priorities and thus the budgeting process. The comprehensive assessment of Seychelles' progress on the implementation of Agenda 2063 relies strongly of the availability of accurate data and information. Therefore, there is a need to strengthen the national statistical capacity as well as effective coordination between MDAs to ensure accuracy and consistency of data.

In the pursuit of a sustainable and resilient economy, it is imperative that all key stakeholders understand their role and contribute towards the implementation of the plan. This will require appreciation of the contribution of the Agenda to the betterment of Seychelles by decision-makers, politicians and implementing agencies. As a result, commitment towards fulfilment of Agenda 2063 can be ascertained. In addition, participation of previously excluded sectors such as NGOs can also contribute resources to this end.

Conclusion

Despite the challenges faced during the first decade of implementation, it is recognised that the end-goal is still achievable and within reach. For this reason, it is generally agreed that the second decade of implementation should support the member states' endeavour to build back better.

The Government of Seychelles acknowledges the importance of shared long run targets. On that note, Seychelles remains committed to ensuring the effective implementation of the goals and targets under Agenda 2063.