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UNDP Seychelles acknowledges the Government of Seychelles, our development partners, civil society, the private sector and implementing partners, that play a critical role in the transformational growth of our communities. The support and partnership received contribute towards the delivery of our programmatic interventions and the results captured in this report.

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Amanda Serumaga,

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**2020** has been an unprecedented year for the Government and people of Seychelles, prompting new approaches that balance between the need to safeguard community health through strengthened health systems and economic prosperity. **The United Nations Development Programme (UNDP)** supported resource mobilization to assist the Government of Seychelles in its preparedness, response, and recovery to COVID-19. On behalf of the United Nations Country Team (UNCT), the UNDP took the technical lead to prepare a Socio-Economic Impact Assessment of COVID-19 in Seychelles, and in procuring Rapid PCR test kits. Realizing the need to address data gaps, the UNDP Country Office also facilitated a survey and studies conducted by the National Bureau of Statistics on the impact of COVID-19 in Seychelles.

During the year, the UNDP aligned its Country Programme Document (CPD) with the UN's Strategic Partnership Framework (SPF) and the

National Development Strategy 2019-2023, by an extension to 2023, to ensure that projects and programmes are aligned to and progress towards the agreed strategic outcomes.

In 2020, the Republic of Seychelles continued to pioneer the Blue Economy agenda. Through the UNDP donor funded projects and the national Marine Spatial Planning Initiative, enabling and legal frameworks were established, allowing the country to declare 30 percent of its Exclusive Economic Zone (EEZ) as a Marine Protected Area. This has enabled Seychelles to uphold its commitments to biodiversity conservation; with former President Danny Faure noting that this milestone was a decade ahead of other nations. According to the SDG Voluntary National Review (VNR) submitted in May 2020, Seychelles was on track to achieving most of the SDGs. However, COVID-19 threatens to undo the progress achieved in various areas including health.

Although the newly elected Government, Cabinet and National Assembly were appointed in late October 2020, key decisions have been made through direct and indirect interventions provided by the UNDP. For example, in December 2020, the Cabinet approved amendments to the legal framework for the Joint Management Area (JMA) of the Mascarene Plateau, an extended continental shelf between Mauritius and Seychelles, an initiative supported by the UNDP.

COVID-19 deeply impacted the Seychelles economy with a projected loss of more than 70 percent in tourism revenues alone. Between 7 March and 31 December 2020, a total of 275 cases were recorded, with cases spiking in June and the first cases of community transmission in December. Following restrictions on international travel between March and June, Seychelles commenced phased opening up of travel in August 2020 to support economic recovery.

As indicated in the UNDP Socio-Economic Impact Assessment Report, COVID-19 has only exacerbated the vulnerabilities of Small Island States, given their low resilience to external shocks and high dependence on tourism. Since the onset of the pandemic, the key sectors of the economy notably tourism, fisheries, and shipping, which contribute close to 40 percent of employment, have been severely affected. The delay in recovery will accelerate job losses across sectors that are directly linked to the [tourism industry](#) which contributes 25 percent of GDP<sup>1</sup>. The relief measures have imposed a significant strain on the Seychelles economy with debt-to-GDP ratio projected to rise from 99.4 percent in 2020 to 108.4 in 2021 and decline but still be high at 87.2 percent by 2025<sup>2</sup>. If the job protection policies are discontinued in 2021, net job losses would spread into 2022 even in the optimistic scenario, with the employment to population rate declining by 1 to 3 percentage points. By September, close to 1,400 workers had been rendered redundant. While government support has protected them from falling into poverty, a delay in recovery could push most of them into the informal sector that has so far

experienced the worst impact of the pandemic with majority at a high risk of regression to poverty, even with government support.

Despite the disruption caused by COVID-19, the UNDP continued to contribute towards the realization of key development indicators linked to [Goal 13: Climate action](#) and [Goal 14: Life below water](#) that include the construction of water outlets and groynes on La Digue Island enabling the community to mitigate the impacts of sea level rise; adapt to climate change; reduce salt water contamination and build the island's resilience towards flooding and coastal degradation through the European Union's Global Climate Change Alliance Project (EU-GCCA). Using climate smart technology and ecosystem-based adaptation methods, the water storage capacity in the farming community has enabled more than 60 farms to mitigate the effects of drought and flooding, improving their yield and contributing to the realization of [Goal 2: Zero hunger](#) and [Goal 6: Clean water and sanitation](#). The UNDP continues to strengthen its partnership through renewed engagement across various sectors with the evolving challenges presented by COVID-19.



1 UN Socio-Economic impact Assessment of COVID 19 - Seychelles.  
2 Seychelles National budget, 2021

# Overview

## Total Land Area

Total land area:  
**455 km<sup>2</sup>**

Exclusive Economic Zone (EEZ):  
**1.3M km<sup>2</sup>**

## Population

**98,462**  
(JUN 2020 est)

Life Expectancy at Birth

**73.4**

Global average life expectancy

**72.6**

## Health

## Education

Literacy rate, adult  
(15 y/o and above):

**95.9%**

Mean years of schooling

**10**

Expected years of schooling

**14.1**

Number of islands:

**155**

(Both Coralline and Granitic)

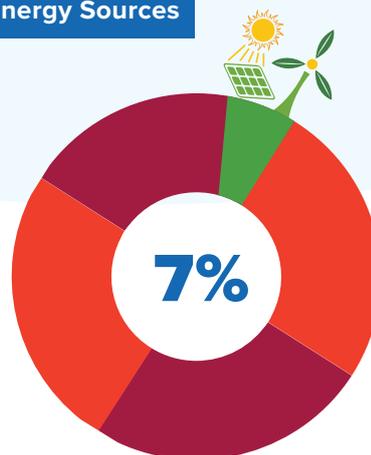
## World UNESCO Sites



United Nations Educational, Scientific and Cultural Organization

- Aldabra Atoll
- Vallee Atoll
- Vallee De Mai

## Energy Sources

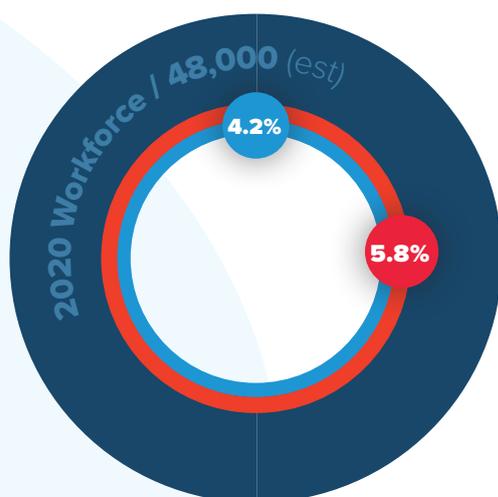


Percentage renewable energy as a segment of total energy consumption: **7%**,

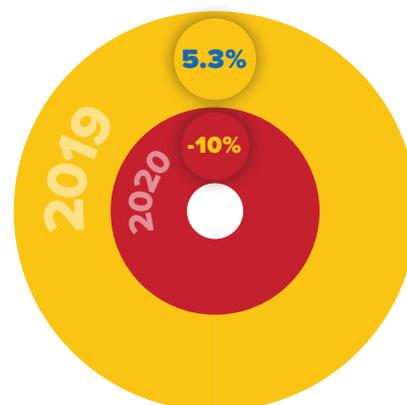
Rooftop PV in Households: **>20%**

### Employment

- **4.2%** Unemployment rate
- **2800** Jobs lost due to COVID-19



### GDP Growth Rate



● Projected contraction due to COVID-19

### Development Indicators:

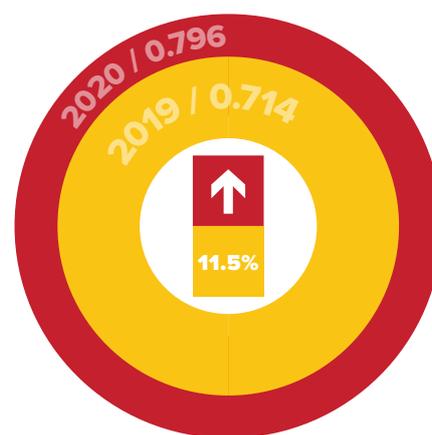
Seychelles' HDI value for 2019 is **0.796**, which puts the country in the high human development category— positioning it at **67** out of **189** countries and territories. The rank is shared with Trinidad and Tobago.

Between 2000 and 2019, Seychelles' HDI value increased from **0.714** to **0.796**, an increase of **11.5** percent.

The table below reviews Seychelles' progress in each of the HDI indicators.



Global rank



HDI Growth

**Seychelles' HDI trends based on consistent time series data and new goalposts\***

Year	Life Expectancy at Birth	Expected Years of Schooling	Mean Years of Schooling	GNI per capita (2017 PPP\$)	HDI value
1990	70.8	11.4	-	14,269	-
1995	70.7	11.9	-	15,034	-
2000	71.1	12.2	7.4	18,240	<b>0.714</b>
2005	72.1	13.1	7.7	18,504	<b>0.732</b>
2010	72.9	13.4	9.4	20,124	<b>0.764</b>
2015	73.2	14.3	9.6	24,103	<b>0.786</b>
2016	73.2	14.2	9.7	24,533	<b>0.787</b>
2017	73.3	14.1	9.8	25,224	<b>0.789</b>
2018	73.3	13.9	9.9	25,923	<b>0.790</b>
2019	73.4	14.1	10.0	26,903	<b>0.796</b>

\*Source: <http://hdr.undp.org/sites/default/files/Country-Profiles/SYC.pdf>

### Economic Freedom Index:

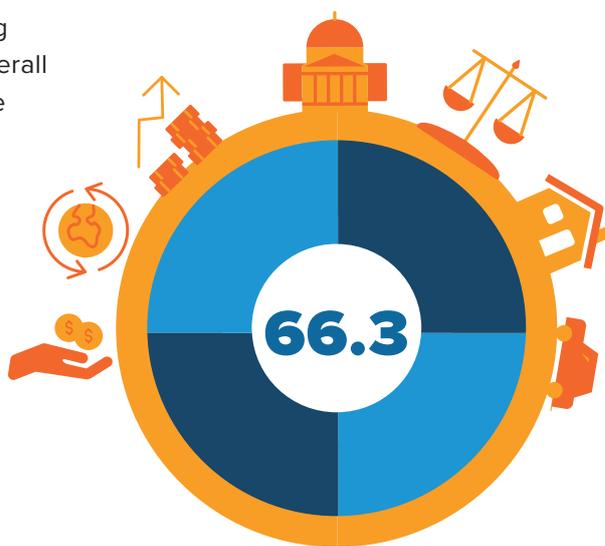
Seychelles' economic freedom score is 66.3, ranking its economy the 60th freest in the 2021 Index. Its overall score has increased by 2.0 points, primarily because of an improvement in government integrity. Seychelles is ranked 4th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the Africa region and world averages.



Global rank

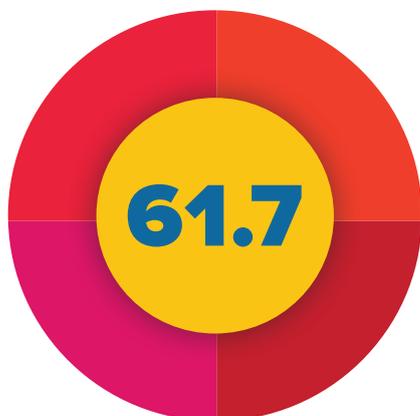


Regional rank  
(Sub-Saharan Africa)



### Business and Regulation\*

World Bank Ease of Doing Business Rankings:



Development Bank Score



Global rank

### Rankings on doing business topics - Seychelles



\*Source: <https://www.doingbusiness.org>

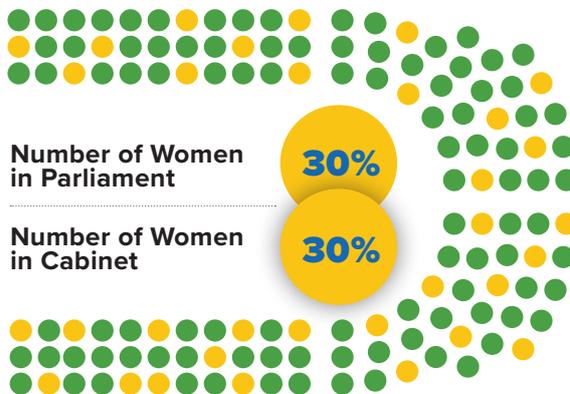
**Gender dimensions**

**Women in the labour force**

**Average Monthly Employment 2020-Q3:**  
Parastatal & Government Sectors

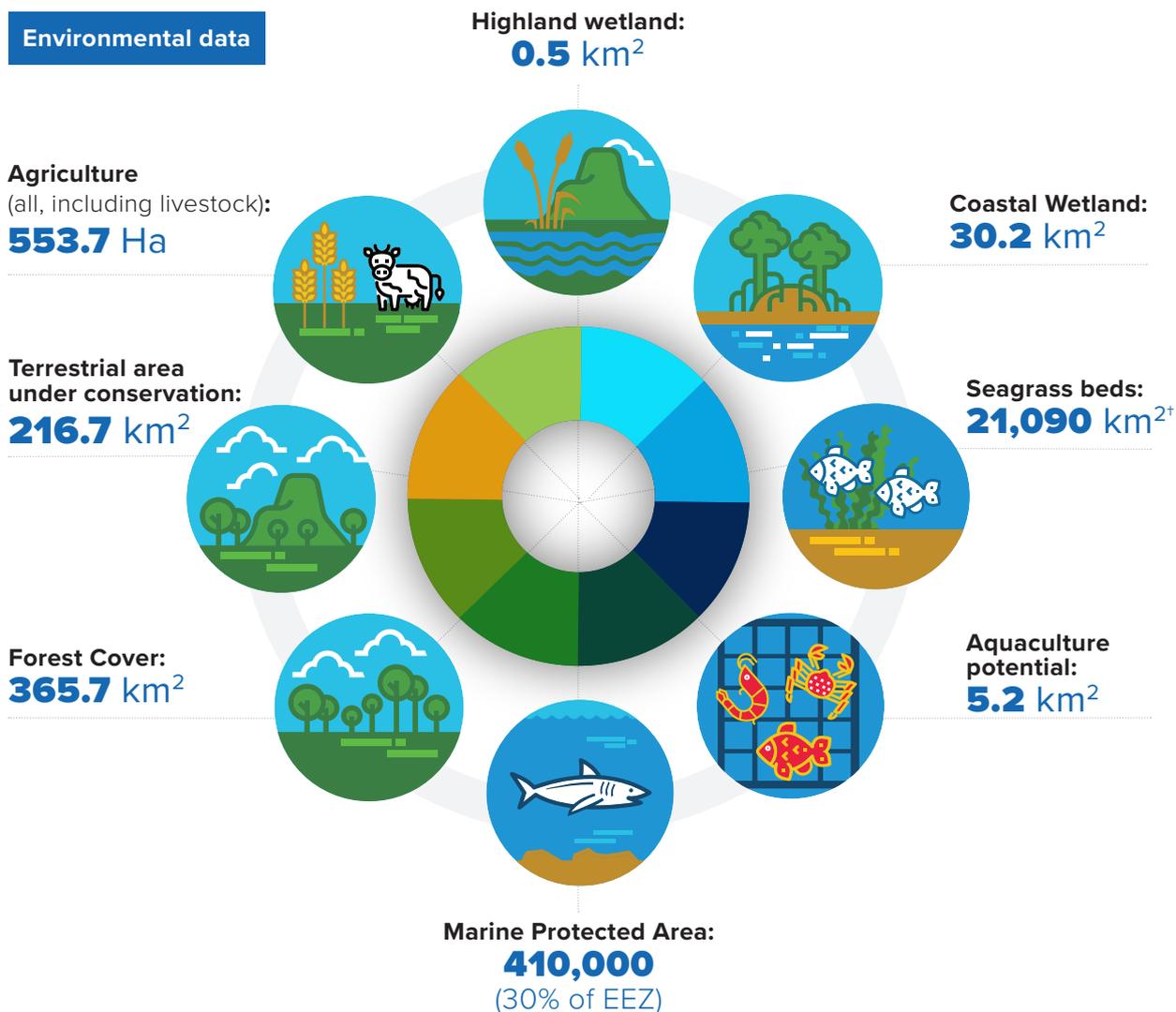
	Parastatal		Government	
	Number	%	Number	%
Local Male	3,509	45.9%	3,436	32.1%
Expatriate Male	668	8.7%	414	3.9%
Local Female	3,424	44.8%	6,573	61.4%
Expatriate Female	45	0.6%	275	2.6%
<b>Total</b>	<b>7,646</b>	<b>100.0%</b>	<b>10,699</b>	<b>100.0%</b>

**In politics**



Seychelles also had the first female Chief Justice in Africa - who retired in the latter half of 2020 upon completion of her 5-year mandate.

**Environmental data**



<sup>†</sup>estimate derived from satellite imagery



## Key Results

**THE ON-SET OF** the COVID-19 Pandemic, necessitated an immediate shift in the way the **UNDP in Seychelles** delivered its country programme to urgently respond to the recovery needs of the country. The Country Office mobilized additional financial resources and reallocated discretionary resources in the existing envelope to adjust programming

in line with the corporate strategy of supporting countries to prepare, respond and recover, effectively positioning us as a responsive development partner to the **Government of Seychelles**.

The UNDP in Seychelles contributed to thought leadership in the country's



development discourse by developing high-quality knowledge products and supporting high-level policy dialogue that informed the thinking around the country's forward-looking agenda.

2020 was a year of country programme expansion with the Country office mobilizing

an additional half a million dollars through high level engagement on request from the Government to support its Preparedness Response and Recovery for COVID-19.

This included direct support to National Health system and Labour market initiatives to upskill employees.



## UNDP Seychelles Country Programme 2017-2023

*A sustainable Seychelles with enhanced economic growth, income opportunities and social inclusion, supported and promoted by responsive strategies towards poverty reduction and gender equality. Building economic and environmental resilience through the design, implementation and integration of sustainable solutions into development planning processes at national and subnational levels to support the blue economy concept, while ensuring climate change adaptation and mitigation concerns are fully addressed.*





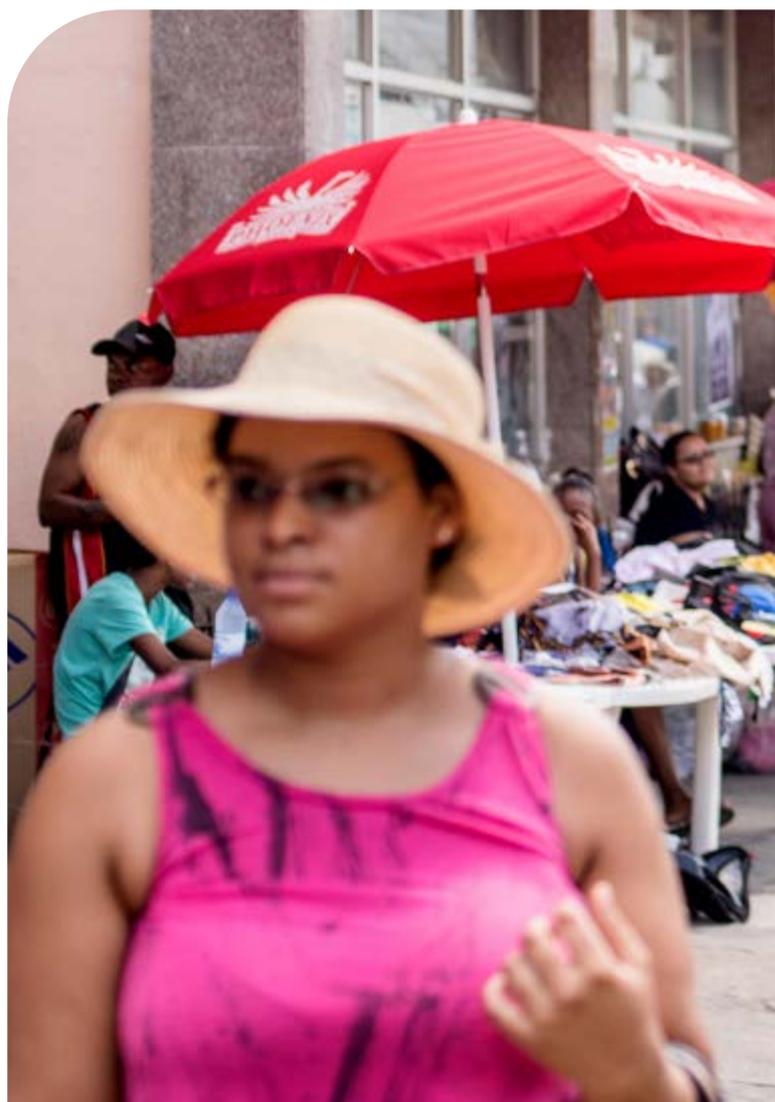


**UNDP'S PROGRAMMATIC** focus on **inclusive growth and climate action** continued through direct and indirect interventions of UNDP-led projects. The Government of Seychelles advocated for **climate action** and championed the **Blue Economy** by setting precedent with the declaration of 30 percent of its Exclusive Economic Zone (EEZ) as a marine protected area with the UNDP supporting the enabling framework to designate and make the business case for sustainable management and financing of such areas. Through the implementation of **ecosystem-based adaptation** and building of **coastal community resilience**, involving hard engineering on La Digue, the UNDP, with support from the European Union, has contributed to ensure priority for climate action results nationally.

Building the **environmental resilience of farming communities**, addressing national issues of food security by adopting **climate smart techniques**, and enhancing water storage capacities, have enabled **sustainable farming** with support from COMESA. Through GEF vertical fund projects, the UNDP is preparing the groundwork for an integrated whole island approach, which will build on lessons learned on how to support integration of **biodiversity conservation** with adaptation techniques.

The UNDP also supports integrated sustainable solutions for the blue economy and environmental resilience through the Coral Restoration project that aims to **rehabilitate reefs** by means of innovative approaches while providing alternate livelihoods in the medium-term.

In 2020, the UNDP in collaboration with Government of Seychelles, sister agencies and the World Bank conducted a **Socio-Economic Impact Assessment of COVID-19**, which found that poverty rates in Seychelles



may increase given job losses; and that the multi-dimensional poverty index suggests the deprivations of vulnerable households may intensify with a significant increase in the incidence of poverty in female headed households. The paradox of Seychelles being a high-income country and yet with a 39.8 percent poverty rate (2019), signals the need to support institutional capacity to continuously gather and analyze data; and formulate responsive policy towards poverty alleviation and inclusive growth.

While the response to the pandemic included a wide array of **fiscal, monetary and macro-financial** and social protection measures such



as guarantees for salaries in the private sector for 3 months, an increase in the budgetary allocation for the Agency for Social Protection and Unemployment Relief Scheme, 6 month temporary reduction in loan interest rates, and support to the agricultural sector to promote food security and livelihoods; it will also be expensive. In all, the Ministry of Finance projected debt-to-GDP (Gross Domestic Product) ratio at the end of 2020 is estimated at 85.1%, instead of the 52% projected in the pre-COVID-19 2020 budget.

UNCTAD notes that “**while some of the SIDS are not among the poorest countries, they are all vulnerable**”, but most of the funds mobilized

by the international community to combat the pandemic and counteract the resulting economic crises are earmarked for low income and emerging market countries. High income and good progress in the human development indices may not be enough to help the Seychelles withstand that from which even larger countries are reeling. Now is the time to put paid to the question of the composite **Vulnerability Index** and its application to SIDS economies; and to consider - as proposed in the SAMOA Pathway - to intentionally transform the development discourse about SIDS and ensure their access to the resources needed to withstand future shocks.



1.0

## Mainstreaming the Sustainable Development Goals







## Towards a Sustainable Development Agenda in a COVID-19 scenario

The UNDP is amongst the development partners of choice in supporting the Government of Seychelles move towards the attainment of the [Sustainable Development Goals](#) and in realising its national priorities. Given the downturn in the economy, the challenge for the government was to operate in a tight fiscal space, prioritizing health and social safeguards whilst planning recovery. In support of Government's preparedness, response and recovery to COVID-19, the UNDP provided leadership in conducting a rapid





assessment of the impact of the pandemic across various sectors. The UNDP also supported the Government in its efforts against the pandemic by procuring PCR test kits for Health.

To ensure government ownership and active participation in the preparation of the UN Socio-Economic Impact Assessment, the UNDP worked with the Government to establish an inter-ministerial Steering Committee chaired by the State Secretary

of the Ministry of Finance, Trade Investment and Economic Planning, and co-chaired by the State Secretary of the Department of Foreign Affairs and Tourism. The committee comprised senior representation from the Central Bank of Seychelles, Ministry of Employment, Ministry of Family Affairs, Ministry of Health, National Bureau of Statistics, and Development Partners including the UNDP, the World Health Organisation, the International Organisation for Migration and the World Bank.



The Committee was instrumental in conceptualizing the study and reviewing the terms of reference. It guided the recruitment process of key consultants, including a dedicated gender and social development expert, to articulate the community and intra-household dynamics of the pandemic, and contributed to the review and approval of the report. The active engagement of the Government through this committee facilitated access to data and key sector experts during the consultation process.

The Country Office continued its programmatic delivery on the Sustainable Development Goals (SDGs), with emphasis on [Goal 12: Responsible consumption and production](#) and production, [Goal 13: Climate action](#), [Goal 14: Life below water](#) and [Goal 15: Life on land](#). Implementation of programmes also integrated gender analysis and dynamics, ensuring equal participation and benefit of men and women.

The preparation of the Socio-Economic Impact Assessment of COVID-19 laid the groundwork for mainstreaming SDGs; having provided a dedicated section on the implications of the COVID-19 outbreak on the realization of the SDGs; and a comprehensive assessment of gender dynamics [Goal 5: Gender equality](#). The sectoral analysis in several chapters also addressed specific SDGs, for instance: [Goal 8: Decent work and economic growth](#), [Goal 12: Responsible consumption and production](#) and [Goal 14: Life below water](#); [Goal 11: Sustainable cities and communities](#); [Goal 12: Responsible consumption and production](#); [Goal 4: Quality education](#).

In advancing its programmatic support to the Government of Seychelles, the UNDP continued to leverage [Six Signature Solutions](#), including solution 3 on resilience and solution 4 on nature-based solutions for development, while also reinforcing solution 6 on Women's





empowerment and gender equality. The focus on resilience provided entry points for the country office to support the COVID-19 response through health system strengthening and social protection that has contributed to cushioning the country from further acceleration of vulnerabilities. Leveraging solution 4 was instrumental in guiding investments in innovative approaches for coral restoration, while solution 6 enabled the Country Office to support the Government and implementing agencies to prioritize gender as part of development policy.

The UNDP continued to play its integrator function within the UN Development System

at country level. In 2020, the UNDP contributed to the preparation of the Socio-Economic Recovery Plan; and was designated to play a critical technical leadership role in the implementation of this plan. Technical leadership in the preparation of the Socio-Economic Impact Assessment was entrusted to, and effectively implemented by the UNDP. During the preparation process, the UNDP chaired the inter-Agency Core technical team that guided the research process and the drafting of the report; and also represented the UN Country Team at the inter-ministerial Technical committee.



## Inclusive and Sustainable Social Protection

The UNDP funded and provided the analysis for the report [Socio-Economic Impact Assessment of COVID-19](#), in behalf of the UN Country Team, which provides policy makers with a detailed analysis of the critical areas affected by the COVID-19 pandemic, and makes broad recommendations on the way forward. The National Bureau of Statistics also conducted sampling exercises of businesses and marketplaces, these findings have yet to be widely disseminated within the Government and the Assembly.

Furthermore, the support of the UNDP to the Government of Seychelles in response to the COVID-19 pandemic enabled the roll out of training programmes to re-skill and provide alternative employment opportunities as the country looks towards economic recovery. Based on the findings and recommendations of the SEIA report, the UNDP will look towards supporting the transition towards digitization in 2021 to facilitate transformative change and real time data gathering that will assist in the continued roll out of social protection schemes for the most vulnerable.

The expertise provided by the UNDP Country Office, through the dedicated support of a Senior Economist, laid the research groundwork to guide policy measures that will assist with recovery and poverty alleviation programmes. As noted in the report, the burden of welfare on the state has considerably increased with over 1000 job losses, the currency devalued by over 30 percent and inflationary trends in the economy



threatening to significantly increase the cost of living. The UNDP remains a trusted development partner with access to expertise across a broad range of development practice and can provide critical support that could assist with economic transformation and diversification.

UNDP's analytical reports, data visualization and real time data gathering can provide the Government with tools to effectively plan,





monitor and adapt policies that focus on inclusive development and poverty alleviation. The socio-economic assessment report also provides an in-depth look at the impact on the economy due to travel restrictions and heightened welfare programmes in 2020.

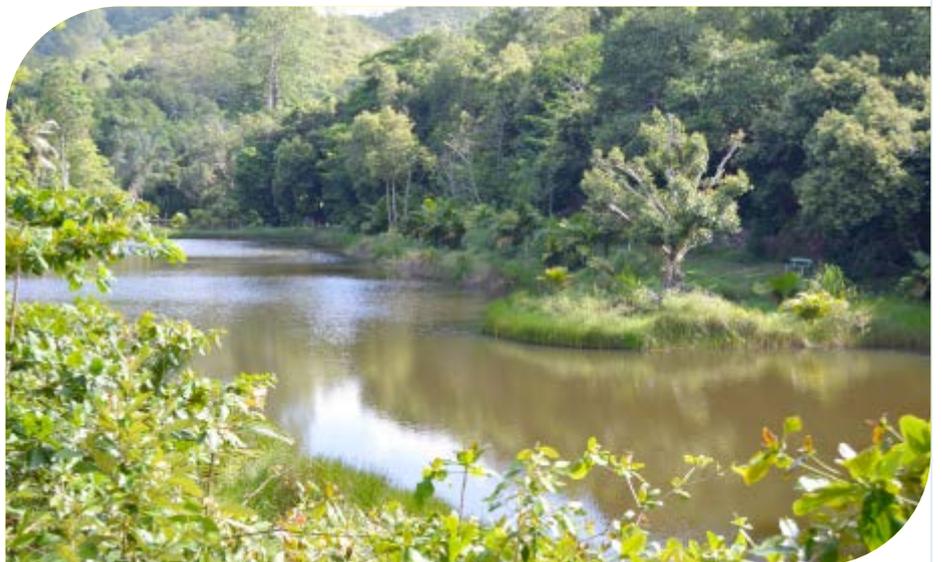
Moreover, the UNDP partnered with the Ministry of Finance, Trade Investment and Economic Planning in the development

of the socio-economic assessment report of COVID-19 in Seychelles. Other partners included Health, Employment and Central Bank. National partnerships are critical to ensure that communication and coordination are effective for UNDP supported interventions and that outcomes can be realized at a national level.

## Women's Access to Alternative Livelihood Opportunities

Although women are found to be well represented across all environmental sectors, significant data gaps exist. Representation in workshops and other national mediums tends to be primarily female across all projects. Under the [Ecosystem Based Adaptation \(EbA\) Project](#), women continue to play a leading role in the management of watershed committees. Furthermore, curriculum development on EbA approaches and practices now have a wider audience amongst both teachers and students. Project partnerships with the University of Seychelles provided training for young women and girls in sustainable farming practices, river monitoring among others. The two new projects, namely the [Ridge to Reef project](#) and the [Coral Reef Restoration project](#), have a strong gender reporting focus and continued to play a critical role in monitoring the increase in women's participation and offering alternative livelihood opportunities. Furthermore, in many of the consultancies advertised under the ongoing projects, strong applications were submitted equally by women and men.







## Inclusive and Sustainable Solutions Towards Energy Efficiency

Building on the success of the UNDP/GEF-funded Energy Efficiency project and the Photo-Voltaic projects, Seychelles is among the Indian Ocean Nations that will receive a grant from the [Green Climate Fund \(GCF\)](#) on supporting adaptation measures to climate change. Given the creation of the necessary enabling environment, there has been a continued uptake of energy efficient





appliances and renewable energy technology for households and businesses.

Through the [Climate Promise Initiative \(CPI\)](#) funded by the UNDP, there was a renewed opportunity to engage with existing partners (Seychelles Energy Commission and Ministry of Agriculture, Climate Change and Environment), and to also involve the

Seychelles Climate Change Adaptation Trust (SEYCCAT) and international donors such as World Bank and the European Union. The CPI provides a platform to ensure that there is political buy-in on the [Seychelles' Nationally Determined Contributions](#) from all relevant parties involved through wide-reaching stakeholder consultations.



## Climate Change Adaptation and Mitigation

A key achievement at international scale by the Government of Seychelles was the designation of **30 percent of the Seychelles EEZ**, equating to more than 400,000 km<sup>2</sup>, as a marine protected area. The UNDP contributed to this achievement through project level interventions and collaboration with other national initiatives to strengthen Seychelles' commitment to enhancing environmental resilience.

Through the UNDP/GEF-funded project '**Sustainable Financing of Protected Areas**', the first Protected Area Financial Plan was developed and will now be scaled up to support the management of the EEZ in collaboration with the national Marine Spatial Planning Initiative.

The UNDP/GEF-funded '**Expansion of Protected Area Terrestrial and Marine Sub-systems in the Outer Islands**' Project also contributed directly to the achievement of this milestone by creating the enabling environment and the regulatory framework required to operate. Additionally, through the UNDP-Adaptation Fund Ecosystem Based Adaptation project, more than 400 hectares of wetlands and forests have been rehabilitated and restored.

Complementing the efforts of the EbA project, the **COMESA Climate Smart Agriculture project** commenced with the construction of two additional water tanks, with a capacity of 640 cubic meters, in the farming community of Val d'Endorre to enable farms mitigate the effects of drought and improve crop yields. Through



the EU funded **GCCA+ Demonstration project** on La Digue, UNDP drove the civil engineering works on the island, enhancing the resilience of coastal communities by means of flood mitigation and prevention of coastal erosion.

Climate change adaptation techniques, through ecosystem-based methods of forest rehabilitation and watershed management, have built community resilience against floods and droughts, and improved the natural ecosystems. The development of Integrated Shoreline Management Plans and the construction of outlets support coastal resilience of communities against sea level rise, flooding and saltwater contamination. Commitment towards renewable energy remains high and mobilization of additional resources were made possible through grant mechanisms from vertical funds and other bilateral donors. Protection and restoration of marine ecosystems will improve fish stocks and bring resilience towards climate related events.







## Institutional, Legislative and Policy Frameworks for Disaster & Climate Risk Management

Seychelles continued to deliver on its climate action initiatives using adaptation methods and hard engineering to build community resilience. Under the UNDP-AF Ecosystem-Based Adaptation (EbA) project, vegetation management plans were drawn up for the restoration of two coastal wetlands and three forest sites. Furthermore, the project developed an Integrated Shoreline Management Plan (ISMP) for Northern district of Mahe and is currently finalizing the second ISMP for the east coast of Anse Royale. One of the notable highlights under the project has been the restoration of degraded wetlands to improve water storage capacities within the area, enhancing flood attenuation services during seasonal changes. More than 5000 native trees and endemics were planted across the islands as part of forest rehabilitation efforts.

Under the UNDP/EU-funded GCCA+ project, construction of drains and groynes are ongoing on the island of La Digue. This hard engineering will enable the community of La Digue to mitigate the issue of coastal flooding and saltwater contamination of its freshwater resources. Given the high level of coastal degradation, the civil works will enable the community of La Digue to adapt, build resilience and reduce their disaster risk due to sea level rise and flooding.

Under UNDP-GEF Sustainable Financing of Protected Areas, the management plans



for five sites were developed. The visitor facilities on the island of Curieuse were improved and public amenities provided for the Copolia trail, all with the aim of enhancing visitor experience to these national parks.

Two new projects were launched in 2020 to enhance national capacities for management of climate risks. The UNDP/GEF-funded Ridge to Reef project builds on a whole island concept to manage and conserve the flow of terrestrial, coastal and marine ecosystems; while the regional UNDP-AF Coral reef restoration project will focus on coral ecosystems as a tool for climate adaptation and sustainable management of these marine habitats to improve livelihoods.





Most ongoing UNDP projects in Seychelles are vertically funded and focus primarily on sustainable development in environment, climate change adaptation, biodiversity conservation and management and protected areas. These projects have laid the groundwork for creating the enabling environment for Seychelles to continue championing environmental conservation.

The UNDP has provided guidance and support to the Ministry of Environment Project Coordination Unit, and liaised with different stakeholders to conduct site visits. It also engaged with Government at critical junctures to ensure that project implementation is not disrupted and contributes to the overall

national vision of the country towards reducing climate risks. The various UNDP projects have directly benefited the farming communities at Val d'Endorre, the community on La Digue, and have included community ownership in the management of watersheds and rehabilitation of forests by involving different stakeholders. Furthermore, new partnerships were built with agencies such as Land Transport, Health, Private landowners, Environment, District Administrators, Farmers, Schools and others, to ensure necessary buy-in to realize the benefits for the community as a whole.



2.0

Lessons Learned  
and Looking Forward  
Agenda



**DESPITE THE COVID-19** related economic downturn, the pandemic provides the **opportunity** to review the macro-economic choices and development path required to sustain the SIDS economies.

A key consideration is an urgent need for diversification into other sectors to reduce the risk of overdependence on tourism that accounts for more than 30 percent of their GDP, and more than 50 percent for states such as Grenada and Seychelles. There is an opportunity to devise mechanisms for better integration of larger sectors such as fisheries and tourism into the local economy to enhance linkages with other sectors. This will ensure that the natural endowment is fully harnessed, and the benefits of these sectors are widely shared. This is also the time to unlock other opportunities such as building a continental hub for healthcare and IT to benefit from the **African Continental Free Trade Area**. Creating an enabling environment for private sector activity can be a starting point to unlock this potential.

**The Ease of Doing Business report (2020)** ranked Seychelles in the 100th position globally and 8th in sub-Saharan Africa. Amongst Islands, only Singapore (2nd) and Mauritius (13th) were ranked amongst the top 20 countries, followed by St. Lucia in the 93rd position. Within Africa, Seychelles ranks 22nd in contract enforcement, 24th in protecting minority investors, and 28th in enabling access to credit and business start-ups. With improvements in the regulatory and access to credit environment, there is a clear opportunity to transition to a business-friendly environment to increase local and foreign private sector activity.

The SIDS, including Seychelles, can model regulatory and economic reforms to fast-track reforms aimed at modernising the economy, and use technology as a key to boosting

diversification. The UNDP SIDS Offer “**Rising Up for SIDS**” proposes that digital transformation is a key driver for innovation, resilience, and strengthening SIDS economies.

The emphasis of the **2020 budget speech** on promoting digital payment systems in the financial sector demonstrates Seychelles' commitment to leveraging these assets in the digital sector. With **internet penetration** estimated at 74 percent, above the Africa average of 39 percent; and the global average of 59 percent, the country has an opportunity to implement a digital strategy to transform the business and public sectors into a reliable and efficient ecosystem by reducing transaction costs and speeding up services. This direction will enable the creation of a more efficient system to signal the country as one of the most successful business and people-friendly economies in the region.

For Small Island States, 2020 has exposed the over-reliance on tourism and highlighted their extreme vulnerabilities towards such shocks. As the COVID-19 pandemic continues to plummet the economy and threaten community health and systems, it is important for the UNDP to engage with the Government on emerging priorities and provide key analytical and policy support to enable economic recovery with a focus on diversification, poverty alleviation, reducing inequalities and improving community resilience to climate change induced events.

There is the opportunity for the UNDP to support the newly elected Government, integrate its priorities in the areas of the blue economy, waste management and livelihoods through coral restoration efforts and move towards a safe digital economy. Vertically funded projects provide an opportunity for countries to ensure mechanisms to minimize the risks brought on by pandemics but are

limited in their scope to integrate national priorities on the social sector. Renewed engagement with the Government and Private Sector on digitization and real-time data gathering to provide innovative solutions will be a key area to aid recovery. Exploring diversification opportunities within the blue economy landscape, identifying new sectors and opportunities to ensure Seychelles' commitment to the Paris Agreement will enable the country to maintain its pioneering status and relevance in the international domain.

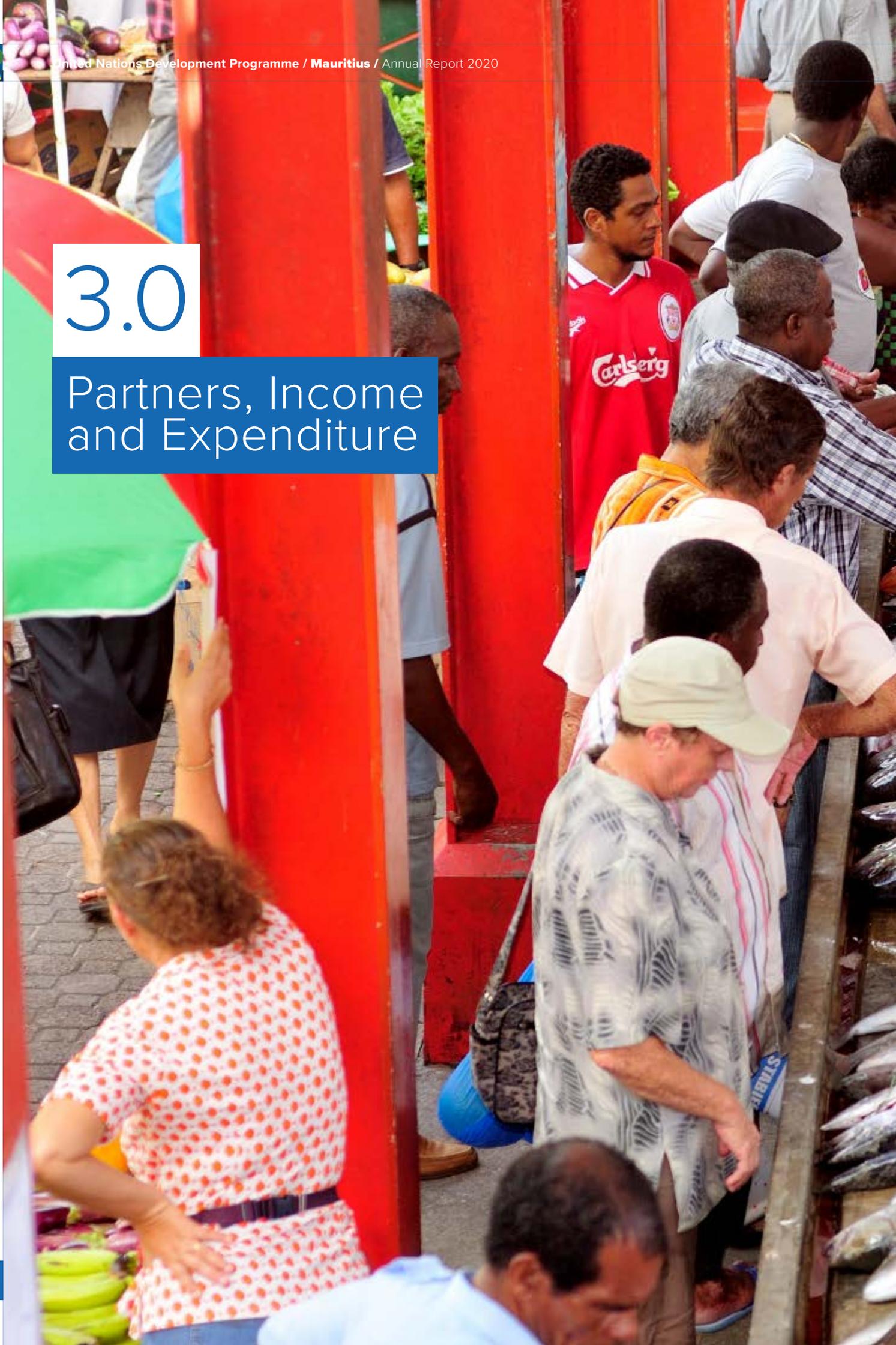
To ensure that the UNDP can strengthen programme conceptualization and implementation, a stakeholder mapping and analysis needs to be conducted especially as Government portfolios have changed. Interactions with the private sector and other bilateral partners would bring value addition to parallel or ongoing initiatives and enhance coordination efforts.





3.0

## Partners, Income and Expenditure







## Partnerships

### Government

In 2020, the UNDP in Seychelles was able to directly engage with the Ministry of Finance, Trade Investment and Economic Planning, and this has built a new partnership in ensuring programmatic interventions are in line with national priorities. The UNDP engaged with several partners to deliver on its programmatic leadership agenda. The preparation of the Socio-Economic Impact Assessment on COVID-19 involved collaboration with UN Agencies at the executive and technical levels that guided the process. Beside the UN team, engagement with the World Bank was also pivotal in successfully conducting the assessment.

### Private Sector/ Civil Society Partnerships

Through the Regional Coral Reef Restoration Project, the UNDP has extended the partnership with Nature Seychelles and Marine Conservation Society Seychelles, two leading environmental NGOs in Seychelles. This project has also enabled collaboration between Seychelles and Mauritius at both private and public level.





### UN Agencies Partnerships

The UNDP is also liaising with the World Bank and the EU under the Climate Promise Initiative to support the update and revision of Seychelles' Nationally Determined Contributions for COP 26. The UNDP also supported establishing a link between the Seychelles Human Rights Commission and OHCHR to support the newly formed SHRC.

### Others

Although the UNDP's primary national partner is the Ministry of Environment, Energy and Climate Change in the implementation of vertically funded projects, in 2020, UNDP was enabled to extend the cooperation between other partners and NGOs.



## Resource Mobilization

In 2020, the UNDP mobilized an additional one million dollars (USD 1M) - through core resources including the Climate Promise Initiative - to support the Government of Seychelles in its COVID-19 response, and to review and update Seychelles' Nationally Determined Contributions (NDC) ahead of COP 26 initially slated for November 2020. This supported the establishment of cross-functional teams and enhanced collaboration between different stakeholders. The additional resources also strengthened the UNDP's positioning and role as a key development partner to support in critical areas beyond Environment and Climate Action.

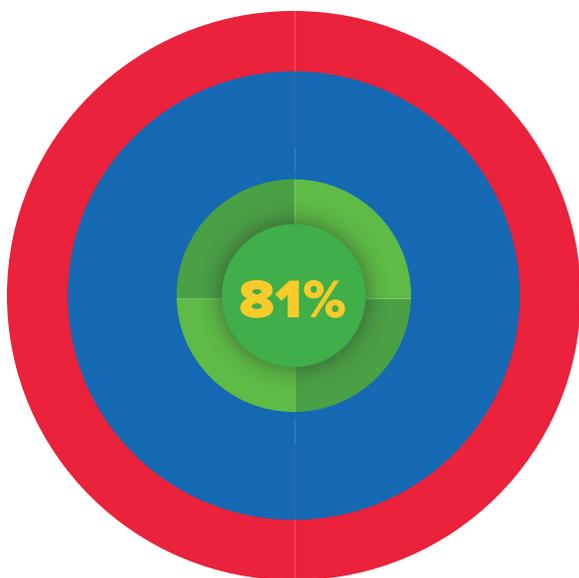
Furthermore, two multi-year projects approved by the Global Environment Facility (GEF) and Adaptation Fund commenced in 2020 with a total national budget allocation of nearly seven million dollars (USD 7M) over the next six years, bringing value addition in terms of innovative approaches and strengthening Seychelles' leadership role in sustainable environmental practices.



Photo - baby turtle: © Aurelie Duhec, ICS

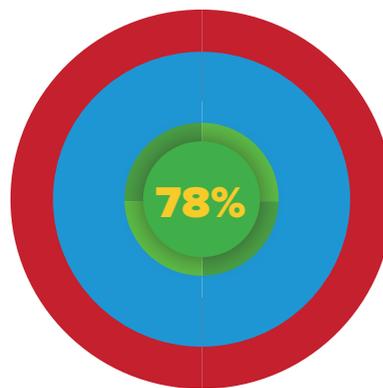
**Budget vs Expenditure (USD)**

Mauritius and Seychelles



- 2020 Total budget: **22,680,626**
- Budget utilized: **18,391,674**
- Percentage delivered

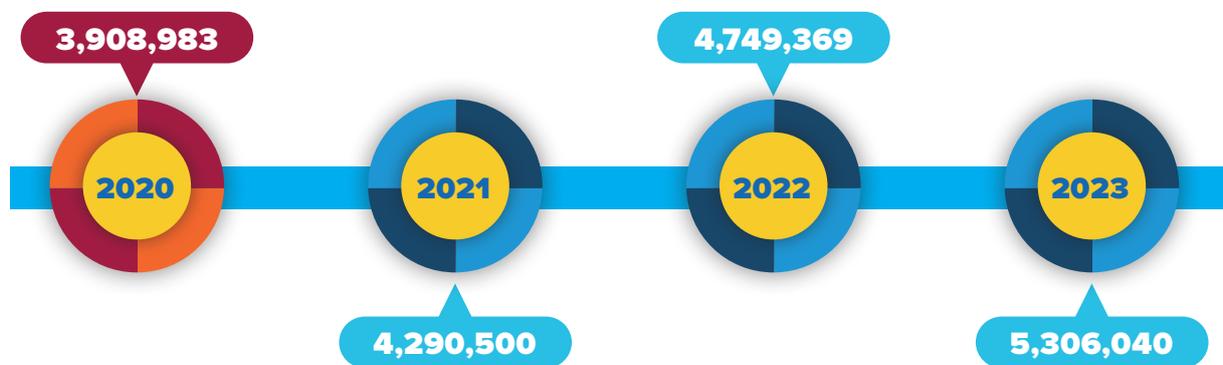
Seychelles only



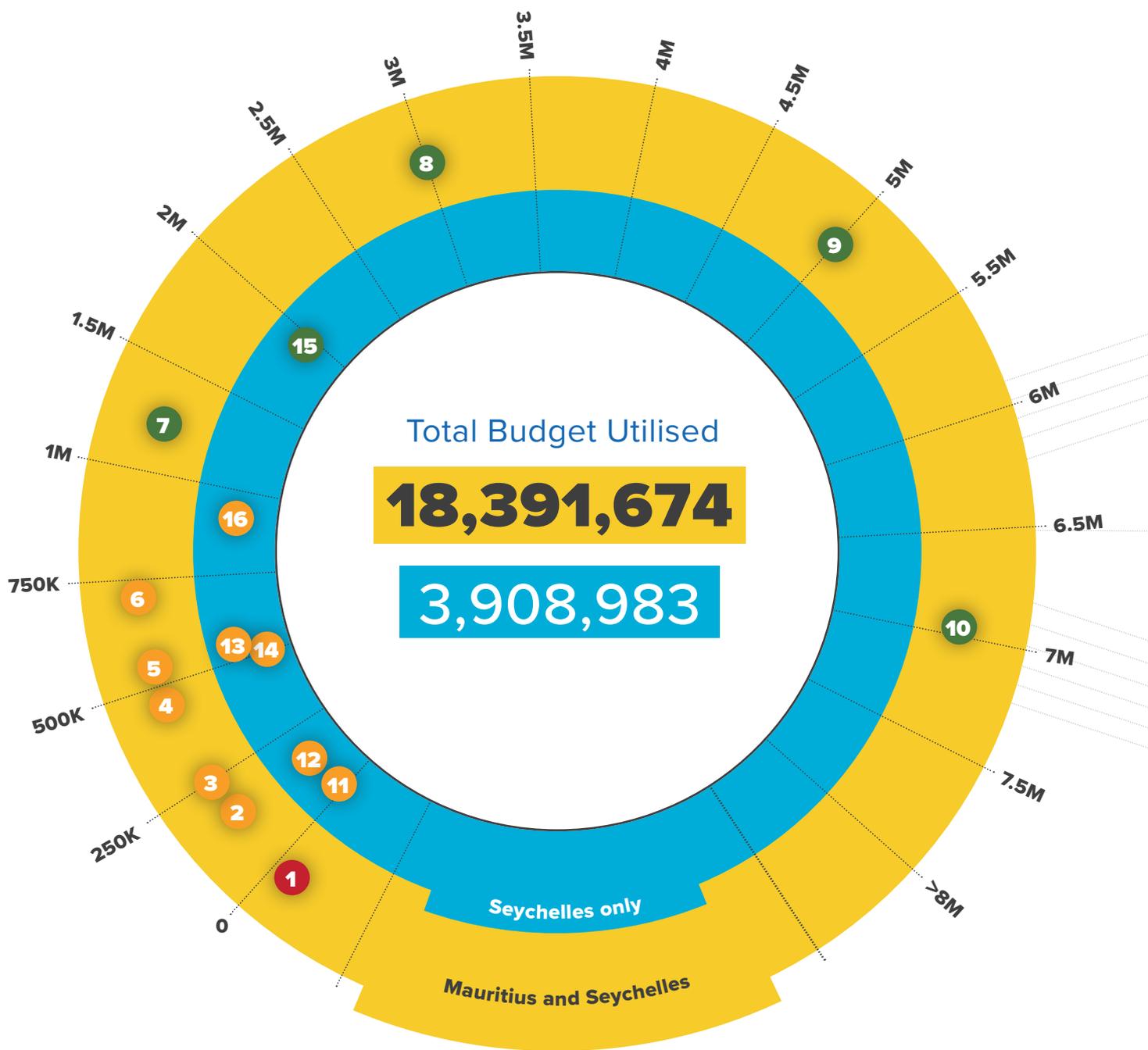
- 2020 Total budget: **5,032,426**
- Budget utilized: **3,908,983**
- Percentage delivered

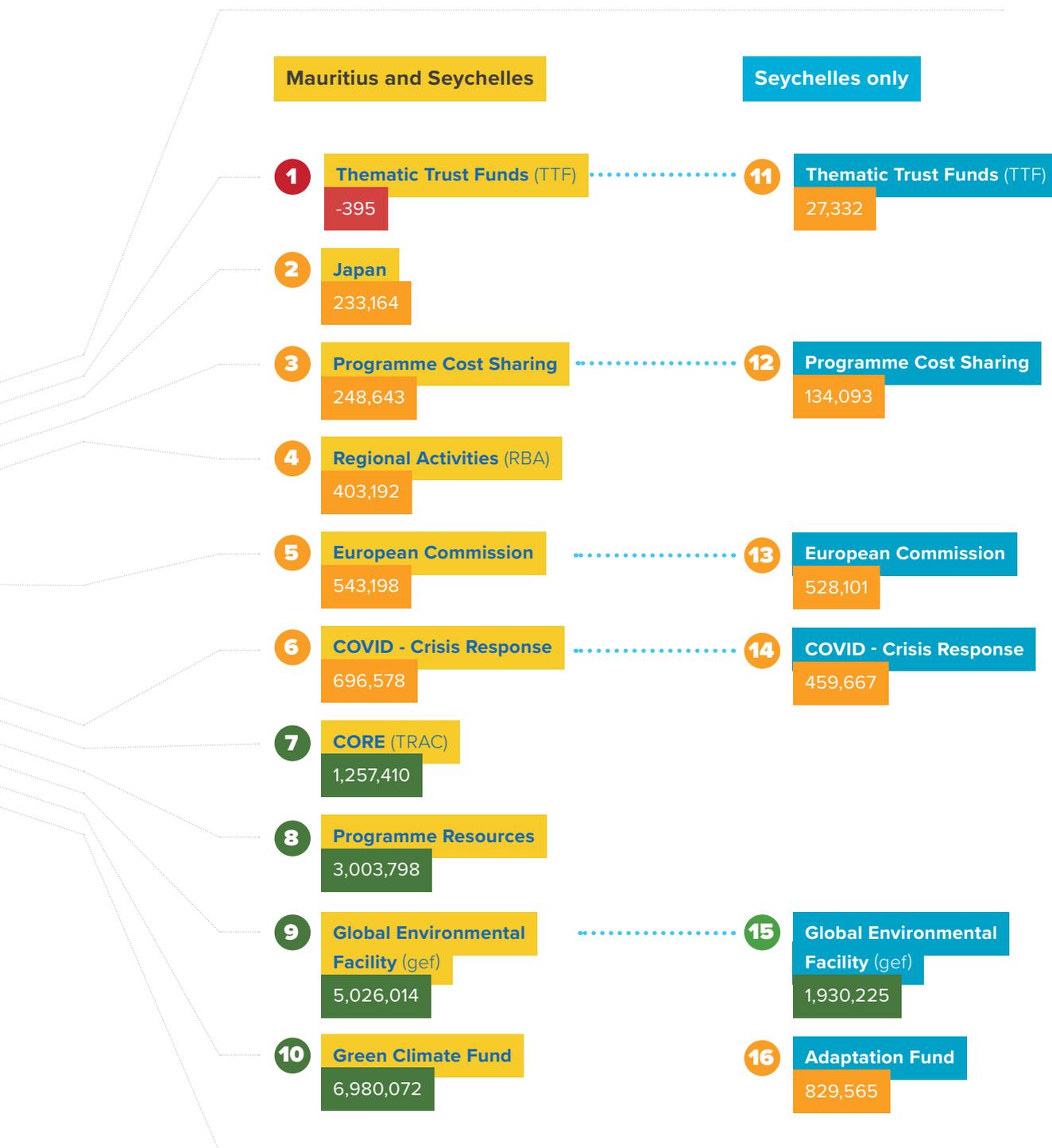
**Year Projected delivery (USD)**

Seychelles



Distribution of Donors (USD)







# Operations

## The UNDP Mauritius and Seychelles Multi-Country Office

Despite the restrictions and lockdowns due to COVID-19 in 2020, the UNDP Mauritius and Seychelles Multi Country Office (MCO) continued to deliver on its programmatic results through continuous staff engagement, use of online tools to facilitate meetings and process documentation. Business Continuity Protocols were activated in both countries and worked effectively despite

some challenges of connectivity and disruptions caused by Government offices being unable to adapt as easily to teleworking options.

The Multi-Country Office delivered a total of USD 21.3 million against the 2020 Integrated Work Plan target of USD 13.82M for the Mauritius and Seychelles.

# Communications



**THE COUNTRY OFFICE** recruited a dedicated Communications team in 2020, which has greatly improved the communications and visibility of UNDP. For the first time, the UNDP CO produced its Annual Report for both **Mauritius** and **Seychelles** for Financial year 2019. Furthermore, improvements on the website, contribution towards the **Country Office Blogs** and dedicated social media platforms on Facebook and Twitter have enabled an increase in visibility and showcase development results and provide

accountability to stakeholders. The Seychelles national press also covered UNDP's development results.

COVID-19 has transformed all business to look towards remote working. The UNDP successfully ensured business continuity during the initial restrictions. Meetings and workshops were held remotely through Zoom to adhere to social distancing guidelines and other restrictions imposed by health authorities regarding assembly.<sup>7</sup>

# The UNDP Seychelles Team 2020



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**Stephane Bellerose**  
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**Sujitha Sekharan**  
*International Operations  
Manager (March 2018 -  
November 2020)*



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