



**New Partnership for
Africa's Development (NEPAD)
Comprehensive Africa Agriculture
Development Programme (CAADP)**



**Food and Agriculture Organization
of the United Nations
Investment Centre Division**

GOVERNMENT OF THE REPUBLIC OF THE SEYCHELLES

SUPPORT TO NEPAD–CAADP IMPLEMENTATION

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**NATIONAL MEDIUM TERM INVESTMENT PROGRAMME
(NMTIP)**

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Volume I: National Medium–Term Investment Programme (NMTIP)

Bankable Investment Project Profiles (BIPPs)

Volume II: Sustainable Pork and Poultry Production

Volume III: Sustainable Vegetable and Fruit Production

Volume IV: Agro–Processing Pilot Project

Volume V: Evaluation and Commercialisation of Underutilized Marine Resources

Volume VI: Support to Wood Exploitation and Utilization

SEYCHELLES:

NEPAD–CAADP National Medium–Term Investment Programme (NMTIP)

Table of Contents

Abbreviations.....	iii
<i>Preface</i>	1
I. INTRODUCTION.....	3
A. The Economy.....	3
B. Food Security and Poverty.....	4
C. The Agricultural Sector	4
D. Institutions and Support Services	5
E. The Strategic Framework	5
(i) <i>Government Agricultural and Fishery Objectives and Strategies</i>	<i>5</i>
(ii) <i>Major Strategies of Cooperating Partners.....</i>	<i>7</i>
(iii) <i>Seychelles' Membership of Sub–regional Economic Organisations.....</i>	<i>7</i>
II. CONSTRAINTS AND OPPORTUNITIES	9
A. Constraints	9
B. Strengths and Opportunities	10
III. INVESTMENT PROGRAMME OUTLINE.....	10
A. Priority Setting.....	10
B. Project Selection Criteria.....	13
C. Preliminary Identification of Projects for Development with FAO Assistance	13
IV. FINANCING GAP	14
V. MONITORING AND EVALUATION	16
ANNEXES:	
Annex 1: Key Indicators and Financing Gap for the NMTIP	
Annex 2: National Agricultural and Fishery Policy (NAFP) 2003–2013 and Linkage to CAADP	
A. NAFP 2003–2013 Investment Projects Proposals	
B. NAFP Investment Proposals' Linkage to CAADP	
Annex 3: Summary Proceedings of the National Stakeholder Validation Workshop	
Annex 4: List of References	

Abbreviations

ADB	African Development Bank
BIPP	Bankable Investment Project Profile
CAADP	Comprehensive Africa Agriculture Development Programme
CBS	Central Bank of Seychelles
COMESA	Common Market for Eastern and Southern Africa
DFID	Department for International Development
EDF	European Development Fund
EEZ	Exclusive Economic Zone
EMPS	Environment Management Plan of Seychelles
EU	European Union
GDP	Gross Domestic Product
GEF	Global Environment Facility
GTZ	German Technical Cooperation
IADP	Integrated Agricultural Development Project
IDF	Institutional Development Fund
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IOC	Indian Ocean Commission
IOR–ARC	Indian Ocean Rim Association for Regional Cooperation
IOT	Indian Ocean Tuna Co.
MAMR	Ministry of Agriculture and Marine Resources
MENR	Ministry of Environment and Natural Resources (formerly MAMR)
MERP	Macro–economic Reform Programme
MIGA	Multilateral Investment Guarantee Agency
MISD	Management and Information Systems Division (of the Ministry of Information Technology and Communication)
MTC	Marine Training Centre
NAFP	National Agricultural and Fisheries Policy 2003–2013
NEPAD	New Partnership for Africa’s Development
NMTIP	National Medium–Term Investment Programme
NORAD	Norwegian Development Agency
SADC	Southern African Development Community
SFA	Seychelles Fishing Authority
SHEMP	Smallholder Enterprise and Marketing Programme
SIDA	Swedish International Development Agency
SMB	Seychelles Marketing Board
SREO	Sub–regional Economic Organizations
TCP	Technical Cooperation Programme
TNDP	Transitional National Development Programme
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank Institute

Preface

*In an effort to halt and reverse the decline of the agricultural sector in the continent, the African ministers for agriculture unanimously adopted, at the 22nd FAO Regional Conference for Africa, held on 8 February 2002 in Cairo, a resolution laying down key steps to be taken in relation to agriculture in the framework of the **New Partnership for Africa’s Development (NEPAD)**. As a follow–up to this resolution, they endorsed, on 9 June, 2002, the **NEPAD Comprehensive Africa Agriculture Development Programme (CAADP)**. The recent **Declaration on Agriculture and Food Security in Africa**, ratified by the African Union Assembly of Heads of State and Government during its Second Ordinary Session, held in Maputo between 10 and 11 July 2003, provided strong political support to the CAADP. During this session, the Heads of State and Government agreed to adopt sound policies for agricultural and rural development, and committed themselves to allocating at least 10 percent of national budgetary resources for their implementation within five years.*

*The CAADP provides an integrated framework of development priorities aimed at restoring agricultural growth, rural development and food security in the African region. In its very essence, it seeks to implement the key recommendations on food security, poverty reduction and sustainable use of natural resources, made at recent global conferences. The CAADP comprises **five pillars**:¹*

- 1. Expansion of the area under sustainable land management and reliable water control systems.*
- 2. Improvement of rural infrastructure and trade–related capacities for improved market access.*
- 3. Enhancement of food supply and reduction of hunger.*
- 4. Development of agricultural research, technological dissemination and adoption to sustain long–term productivity growth.*
- 5. Sustainable development of livestock, fisheries and forestry resources.*

As an immediate follow–up to the Maputo Declaration, representatives of 18 African ministries for agriculture from member countries of the NEPAD Implementation Committee, the NEPAD Steering Committee, the African Development Bank, the World Bank, the International Fund for Agricultural Development, the World Food Programme, FAO and civil society, participated in a meeting held in Rome on 17 September 2003, in order to discuss the implementation of the CAADP, and more specifically the:

- Methodology for the review/update of the **national long–term food security and agricultural development strategies**.*
- Preparation of **National Medium–Term Investment Programmes (NMTIPs)**.*
- Formulation of the related “**Bankable Investment Project Profiles**”(BIPPs).*

¹ Pillar 5 was initially not part of CAADP, but has been added in recognition of the importance of the sub–sectors.

It is within this context that the Government of Seychelles, in an effort to reinforce its interventions aimed at fighting poverty and food insecurity, has requested FAO to assist in preparing a NMTIP and a portfolio of BIPPs, with the aim to:

- *create an environment favourable to improved competitiveness of the agricultural and rural sector;*
- *achieve quantitative objectives and mobilize resources to the extent needed for the associated investment in agriculture;*
- *achieve the targeted allocation of national budgetary resources to this area, reflecting the commitment made in the Maputo Declaration; and*
- *create a framework for coordinated bilateral and multilateral financing of the sector.*

*The present NMTIP, which draws on work of the recent government’s National Agricultural and Fishery Policy (NAFP) 2003–2013, was prepared by a team of national consultants,² under the overall supervision of the National Project Coordinator/NEPAD focal point in the Ministry of Environment and Natural Resources (MENR)³ and in close collaboration with the NMTIP Core Team from that ministry. The team was assisted by experts from the FAO Investment Centre Division⁴ while the National Co–ordinator of FAO for Seychelles provided crucial administrative support. In the process of preparing this document, participation was sought from major stakeholders from government, development partners, Seychelles Farmers’ Association, private sector and civil society. Key to the finalization of the NMTIP was the **National Stakeholder Workshop** held on 15–16 July 2004, during which a draft of this document was discussed and validated, and project ideas for the BIPPs prioritized, based on agreed–upon selection criteria. Five BIPPS of these were further developed into BIPPs, that are presented in a separate document.⁵ Lastly, the NMTIP and the BIPPs were reviewed by an FAO Virtual Task Force of technical experts.*

This document starts with a brief description of Seychelles’s agricultural sector in the context of the country’s economy and poverty and food security situation. This is followed by a review of national and development partner strategies and programmes, lessons learned, and an analysis of the principal constraints to, as well as opportunities for, the development of the sector. Based on this analysis and taking into account existing government strategies and the five pillars of CAADP, priority areas for investment have been identified. Finally, an attempt has been made to estimate the financing gap in terms of additional resources that would be required to meet the target of allocating 10 percent of national budget to the sector within five years, and a proposal put forward for monitoring and evaluation of the NMTIP implement.

² Mr Walter Talma and Ms Gina Bonne.

³ Mr Walter Talma, MENR.

⁴ Mr Mahamadou Maiga, Economist, TCIS, and Mr Jacques Blas, consultant.

⁵ For the purposes of the present exercise, “*Bankable Investment Project Profiles*” are defined as documents elaborated in a format and with the information that could make them favourably considered by the financial institutions, donors and private investors foreseen in the Maputo Declaration. These documents should enable cooperating partners to make preliminary indications of interest, and of approximate level of funding commitment. Further feasibility analysis and subsequent processing through the concerned partner(s) regular project formulation systems would follow to obtain a project/programme proposal elaborated to the feasibility study level.

I. INTRODUCTION

A. The Economy

I.1. An archipelago of 43 granitic and 72 coral islands in the Western Indian Ocean, Seychelles has a land area of 445 km². Of these islands, only Mahé (153 km²) and Praslin (38 km²) provide the necessary conditions and suitable land area for agriculture. The total population was 81,177 at the last census in August 2002, and is growing at about 1.4 percent per year. Around 87 percent of the population lives on the main island, Mahé (including the capital Victoria); 9 percent on Praslin and 4 percent on La Digue. The remaining islands are sparsely populated or uninhabited. Approximately 26 percent of the population is under 15 years, while 67 percent are between 15 and 64 years old. Population is expected to grow at an annual rate of 0.80 per cent from 81,117 in 2002 to 97,000 in 2015.

I.2. The GDP per capita (expressed in current prices) was US\$7,766 in 2002, much higher than in any country on the African mainland. The economy is heavily dependent on the services sector, (including transport, communications, commerce and tourism) and accounts for around 72 percent of GDP. The contribution of the agricultural production to the GDP was 2.9 percent in 2002. Although tourism generates less than 10 percent of GDP directly, it supports numerous secondary services, such as air transport and car hire, and plays a key role in the economy. The share of manufacturing rose in 2000 to 18 percent and dipped to 17 percent in 2001 as tuna production declined. Public investment in infrastructure has kept construction buoyant and its share of GDP rose to 10 percent of GDP in 2002.

I.3. Since its independence from Britain in 1976, the country has experienced a reasonably equitable economic growth with a significant progress in social conditions. But after more than a decade of rapid economic growth averaging 6 percent a year, Seychelles experienced a setback in the early 90s caused by external shocks during the Gulf War and financial difficulties brought on by increased public spending. Since then, government has implemented some economic reforms, a mix of reduced controls on the economy and increased economic liberalization. In 1996–98, the economy recovered with real GDP growing by an average of 4.5 percent owing to increased tourism and canned tuna production.

I.4. Real GDP contracted by 3 percent in 1999 mainly due to declining tourism earnings. This decline took place despite strong growth in manufacturing output owing to the expansion of the IOT, and of the construction sector. There was a mild recovery in 2000 with GDP growth estimated at 1.2 percent. The fiscal position weakened considerably during 1998–99 with the budget deficit after grants averaging at 18 percent of GDP. The external current account deficit has been about 17 percent of GDP in recent years. These deficits were financed largely by domestic borrowings and draw-down of reserves, resulting in a shortage of foreign exchange.

I.5. The economic situation has therefore been deteriorating as a result of the government austerity measures imposed since March 2003 by the IMF due to this heavy indebtedness and heavy restrictions on foreign cash. The lack of foreign currency for a country heavily dependent on foreign imports is having a noticeable impact on all sectors, resulting in lack of essential spare-parts, currency black market and rising inflation. Negotiations with the IMF are ongoing since July 2003.

B. Food Security and Poverty

I.6. With a GDP per capita estimated at US\$7,766 in 2002, Seychelles is classified as an upper middle–income country (World Bank classification). Human development index of 0.840 ranks the country at 36 out of 173 countries in the world. According to the World Bank, life expectancy of the country rose from 70 years in 1990 to 72 years in 2000 while infant mortality fell from 17 to 9 per 1,000 live births over the same period and the literacy rate rose to 85 percent. Despite this relatively high living conditions, at present almost 20 percent of the population are estimated to be living in poverty, and almost 7 percent in absolute poverty. The distribution of income is highly unequal.

I.7. Data shows that food energy requirements of the population average 2,200 kcal per person per day. Food consumption increased from 2,281 kcal per capita per day in 1979–81 to 2,434 kcal in 1999–01, reflecting an improvement in access to food. Although development plans have always given a high degree of priority to the attainment of food self–sufficiency, the country is unlikely to achieve this objective. At present, imports represent more than 40 percent of total food consumption. Total food requirements are expected to increase by slightly more than 1 percent a year, considering population growth and allowing for migration.

C. The Agricultural Sector

I.8. **Contribution to the Economy.** Population structure in Seychelles in the last decade shows a clear decline of the number of people leaving in rural areas, from 45.7 percent in 1990 to 36.3 percent in 2000. A projection shows that the share will fall below 30 percent by 2015. In the 90s, the importance of agriculture declined: only 2.9 percent of the GDP in 2002 and less than 7 percent of labour force remained formally employed in agriculture.

I.9. The contribution of agriculture to total exports and imports in 2001 was 1 and 9 percent respectively. The agricultural trade deficit declined from minus US\$49m in 1998 to minus US\$47m in 2001. The value of agricultural imports decreased from US\$50m in 1998 to US\$48m in 2001 and the value of agricultural exports decreased from US\$1.5m to US\$1.2m.

I.10. Local commercial livestock production allows the Seychelles to be self–sufficient in eggs, about 80 percent self–sufficient in broiler meat. Local pig production meets about 60 percent of local demand for pork. It is difficult to quantify the total annual output of fruits and vegetables, although estimates would suggest that 60 percent is met through local production. Plantation crops have lost importance in recent years. In recent years, industrial fishing became the second most important economic activity, the second largest employer and the second source of foreign exchange. The Exclusive Economic Zone covers 1.3 million km², including a large continental shelf and rich pelagic and demersal resources. Artisanal fishing is done on the plateau areas surrounding the islands, while industrial fishing for tuna and other species is in deeper waters by foreign and local vessels.

I.11. **Land use and Farming Systems.** About 10 percent of the potential agricultural land (limited by shallow and infertile soils), estimated at 6,000 ha, is currently used for agriculture. Agriculture is characterised by small family farms of 0.25–0.5 ha that practice mixed cropping. There are about 400 registered crop production farms; 47 registered commercial layer farms and 10 registered commercial broiler farms; 1,500 pig fattening units and 32 pigs breeding units. Cinnamon and coconut have lost considerable importance over the last 20 years, while tea plantation has recently been successful; production increased from about 100 t in the 1980s to some 300 t in 2001.

I.12. ***Agricultural Production.*** The main crops are fruit, vegetables and tea. Other crops include coconut and cinnamon (see details in Annex 1, Tables 12–14, also on livestock and fisheries sub-sectors).

I.13. ***Forests and Forestry Products.*** Mahé has some 4,000 ha under forests and shrubs, Praslin 950 ha, and La Digue and Silhouette 200 ha each. An estimated 4,400 ha of Casuarina forests are found in the coralline islands.

D. Institutions and Support Services

I.14. ***The Crop and Livestock Sub-sectors.*** The *Ministry of Environment and Natural Resources* (MENR) (formerly the Ministry of Agriculture and Marine Resources, MAMR) is responsible for implementing policies for the development of the crop, livestock and fisheries sub-sectors however, it would remain principally a facilitator to these sub-sectors.

I.15. In terms of institutions and support services for crop and animal production sub-sectors, government, through the ministry, and in collaboration with bilateral and multilateral partners, maintains a number of functional/operational sections such as the agricultural extension services section, along with a number of plant and animal genetic resources farms through which specific information and services on crop and livestock production technologies and land use are evaluated, generated and channelled, some on a partial cost recovery basis, using various means (mass media, fairs, open-days, workshops, etc.) to private sector interests.⁶

I.16. ***The Fisheries Sub-sector.*** In the fisheries sub-sector government, through the *Seychelles Fishing Authority* (SFA), a statutory body established in 1984 (i) promotes sustainable and responsible fisheries development and optimise the benefits from this sector for the present and future generations; (ii) grants licenses to foreign fishing vessels until such time the Seychelles is capable of harvesting the tuna resources of its EEZ; and (iii) implements a policy of free trade in fish products in accordance with international laws and taking due regards to resource sustainability and human health;

E. The Strategic Framework

(i) Government Agricultural and Fishery Objectives and Strategies

I.17. The vision of the government's *National Agricultural and Fisheries Policy 2003–2013* (NAFP) is to achieve food security through sustainable agricultural production and development as follows.

I.18. For the ***agricultural sector***, the NAFP sets quantified targets for the following areas:

- ***Agricultural Land Use Optimization and Agricultural Production***

- To achieve at least 80 percent production of arable crops, in areas where there are comparative advantages, required for local consumption;
- To encourage the exploitation of spices, floriculture products, essential oils and of traditional plantation crops for export;
- To promote the production of organic crops;

⁶ For example, government would endeavour to establish a poultry parent stock for the provision of an adequate supply of layer and broiler hatching eggs to meet the expansion in both the layer and broiler chicken industry.

- To promote and facilitate through training small–scale agro–processing both at household and district level so as to optimise the use of and absorb seasonal surpluses of fruits and vegetables.

- ***Livestock Production***

- To further encourage economic growth in the livestock sub sector, to attain 100 percent production of pork and eggs, as well as to valorise other livestock types (small ruminants, etc.) without compromising human health and the environment;
- To produce 80 percent of the broiler poultry meat consumed locally and to the import the 20 percent balance subject to review during the lifespan of the policy framework document.

- ***Agricultural Information, Trade and Marketing of Agricultural Produce***

- To provide adequate guidelines and information on the importation, exportation, and the local production of agricultural produce so as to regularly gauge the national food security status.
- To facilitate local marketing of agricultural produce as well as identify niche markets for the export of value–added products of floriculture, spices, essential oils, traditional plantation and organic crops.

- ***Human Resource Development and Training***

- To provide opportunities and facilitate formal and informal training of food producing entrepreneurs as well as build capacity in various grades of technical and support personnel with focus on gender balance, with a view to address gaps, enhance knowledge in agricultural resource utilization etc. for higher local food security.

- ***Services and Institutional Support***

- To generate and disseminate adequate, sound and proven crop and livestock production information and associated technologies so as to achieve the crops and livestock production targets with due regard for human health and the environment.
- To encourage private sector interests in providing parallel technical administrative and information services.
- To stock adequately and strive for continuous availability of agricultural inputs and supplies so as not to limit national agricultural production.

- ***Enforcement of Legislation***

- To secure against the importation of agricultural produce (arable agriculture and livestock produce) as well as agricultural inputs and supplies of sub–standard quality so as to safeguard local food security efforts, the consumers’ health and the environment.

I.19. For the ***fisheries sector***, the NAFP prioritizes:

- To develop ancillary industries and services to provide inputs to the fishing industry to contribute to the development and integration of other sectors of the economy, such as manufacturing, tourism and agriculture;
- To enhance food supply and food security.

- To promote safety at sea.

I.20. For the *environment*, government has launched in June 2001 the *Environment Management Plan of Seychelles (EMPS) 2000–2010*, replacing the EMPS 1990–2000. The EMPS 2000–2010 emphasises sustainable national development with due regard for the environment, and contains 10 thematic areas of which Agriculture, Biodiversity and Forestry with specific programmed activities.

(ii) *Major Strategies of Cooperating Partners*

I.21. The *African Development Bank (ADB)* and the *European Union (EU)* are the main donors to Seychelles with projects in infrastructure rehabilitation, human resource development, and small enterprises credit line development. The World Bank is cooperating closely with other donors (IMF, EU, ADB) and stands ready to provide technical and financial assistance for a strong reform program. For EU, the specific activity envisaged for support is a Waste Management Programme (80 percent of the EU budget for its Cooperation Programme).

I.22. The *World Bank* has no investment projects in Seychelles. The Bank's assistance to Seychelles focuses on environmental protection. The Bank has played an active role in helping Seychelles protect its environment under the Global Environment Facility (GEF) and the Institutional Development Fund (IDF). Following the completion of a GEF operation for Biodiversity Conservation, a medium-sized GEF and an IDF grant for the second *Environment Management Plan* are under implementation. The GEF Board approved a GEF *Indian Ocean Islands Oil Spill Contingency Plan* and a new medium-sized GEF for marine ecosystems in December 1998 and April 2000 respectively.

I.23. The *International Finance Corporation's (IFC)* portfolio consists of four projects in hotels, fishing, and banking, amounting to US\$10m. IFC provided advisory assistance in the establishment of a stock exchange, and in FY01 approved an investment in the market-making institution.

I.24. The *Multilateral Investment Guarantee Agency (MIGA)* does not have any exposure in Seychelles but has one application for guaranteeing the construction of a hotel involving an investment of US\$40 million. The number of participants from the Seychelles who take part in programs organized by the *World Bank Institute (WBI)* remains very low: only 3 in FY01.

I.25. *FAO* is presently the main partner in agriculture, with the withdrawal of most donors and investment agencies from the agricultural sector. Within the growing importance of agriculture to reduce food bills and secure essential services to the tourists and fishery industries, FAO is considered a much-appreciated partner, which can play a vital role in the promotion of the agricultural sector. The present approved FAO assistance project under the NEPAD–CAADP will design a framework for developing investment in the sector, and thus emphasize the vital importance of agriculture in the development of the country.

(iii) *Seychelles' Membership of Sub–regional Economic Organisations*

I.26. Seychelles is a member of the following Sub–regional Economic Organizations (SREO): *Common Market for Eastern and Southern Africa (COMESA)* and the *Indian Ocean Commission (IOC)*, which have common undertakings and projects of interest to Seychelles.

I.27. Following the launching of a macro–economic reform programme (MERP) on 1st July 2003, the Seychelles opted out of the *Southern African Development Community (SADC)* and the *Indian Ocean Rim Association for Regional Cooperation (IOR–ARC)*, in view of Seychelles' inability currently and in the foreseeable future to derive any comparative advantages as membership of these

two organisations. It would appear that Seychelles would continue to assess its membership in the other sub–regional economic organisations with a view to meet the requirements of the MERP.

I.28. **Macro–Economic Reform Programme (MERP).** With the Macro Economic Reform Programme, Trade Tax Regulation policies have change slightly in areas of imports. There are some specific products that trade tax is high these are mainly products that may compete highly with local products and to discourage certain imports without actually banning it, such as mink, ivory, CFC sprays, firearms etc. Nevertheless, most imported products trade tax ranges between 15 percent to 25 percent. By 2006 most trade tax will be reduced to 5 percent. Certain products that have some luxury connotation, tax is relative high such as tobacco and alcohol. There is a 0% tariff on at least 27 products that may be classified as essential goods, mainly on dairy products, some vegetables, rice, sugar, cooking oil, juices and special preparation for infant use. The majority if not all the essential goods are imported by SMB. All goods imported have a retail mark–up of 30 percent and a 12 percent Government Sale Tax. There is no trade tax on exports and no subsidies on imports of inputs and transportation cost.

I.29. In agriculture and fisheries the MERP will attempt to provide a new boost to the productive sector a new set of incentives and measures will be put in place: (a) more foreign exchange will be made available from commercial banks to entertain their imports; (b) through MENR it will make the materials and inputs more readily available; (c) also for the productive sectors trades tax will be reduced as part of the reform of the trades tax; (d) an insurance scheme will be initiated, where again farmers will contribute a premium and subsequently ensure coverage in case of natural disasters; (e) there government will ensure more decentralisation of services for both fishermen and farmers; (f) one of the new measures is a business tax which will be introduced for profits over R48, 000 for all agriculture and fishing operators; (g) social security will also be reinforced to ensure that all those eligible to pay will now pay; (h) for fisheries the administration of the fuel voucher incentive scheme will be reviewed as part of efforts to cut down on abuse, with the idea of phasing it out over three years through gradual reduction.

I.30. On the expenditure side of the fiscal sector, the following measures and mechanisms will be put in place: reduce capital expenditure and cap it at SR50m for the next three years; reduce ministries' recurrent budget between 10 and 15 percent over the next three years; enforce no net lending to parastatals; it will also review its membership of international organisations. In general investment in capital project will be reduced.

I.31. The government has been privatising some of its key assets in certain industries. It will continue privatising in areas that can be. It recognises that as part of the MERP, there will have to be, over a period of time, liberalisation in foreign exchange allocation, trade, price control, import control and transfer of capital.

II. CONSTRAINTS AND OPPORTUNITIES

A. Constraints

II.1. The agricultural sector is faced with a number of challenges and constraints that can be summarized under the following items (based on priority areas as stated in the NAFFP):

- ***Agricultural Land Use***
 - Severe encroachment by social and tourism development on land with agricultural potential.
 - Sub–optimization and under–utilization of existing agricultural land.
 - Shortcomings in the method of land allocation. Particularly the land rent system by the State.
 - Inadequate infrastructure for some farming communities.
 - MAMR was traditionally the major stockist and supplier of agricultural inputs over the past 30 years; the farming community has therefore been very dependent on these supplies being made available through strategically located shops.
- ***Livestock Production***
 - Legislation for livestock production and development has not been enforced.
 - The veterinary and livestock services are not efficient for lack of upgrading.
 - Land availability has a constraint to pork and poultry production.
 - Pork production industry currently constrained by its inability to adequately dispose of large slurry volumes produced on a daily basis so as to meet strict environmental standards.
 - Pork production industry has spent blood lines which also hinders further progress of the industry.
- ***Human Resource Development & Training***
 - Low level of entrepreneurship of most farmers has been noted.
 - Lack of trained farm hands.
 - Low level of female participation in agriculture.
 - Limited personnel with tertiary level of training in agricultural science.
- ***Trade, Marketing and Distribution***
 - Foreign exchange availability has been a constraint to acquisition of agricultural inputs.
 - Inadequate farmer’s assistance in marketing and distribution.
 - Bad common perception of some producers that increased production would automatically result in declining income through lower profit margins.
 - Scarce development of agro–processing.

- ***Fisheries Sector***

- Limited access to under–utilized fish especially in deep water
- Appropriate management plans for diversified resources
- Cost of surveys to exploit new ground and new species
- Aquaculture activities have not really been promoted on a large scale
- Onshore facilities for storing and processing

- ***Other Issues***

- Erosion of agricultural bio–diversity.
- Threats to water catchments and coral reefs.
- Threats to human health.

B. Strengths and Opportunities

II.2. If the existing sub–optimisation and under–utilisation of the agricultural land, on the one hand, and the severe encroachment of land by urbanisation and tourism activities, on the other hand, are addressed by a sound government land policy, there may be potential for agricultural development, particularly linked with tourism sector.

II.3. Even if the main islands seem unsuitable for high yielding crops, potential for developing the main crops (fruit, vegetables and tea) and others crops (coconut and cinnamon) still exist along with “niche” products as flowers, essential oils, medicinal plants.

II.4. There is a considerable potential for semi–industrial fishery development in terms of stocks and markets if some problems (including insufficient air–cargo space, and high predation rate for large marine mammals) are solved. Government policy is also encouraging and supporting the progressive transformation of artisanal fishing through private enterprises and entrepreneurship.

III. INVESTMENT PROGRAMME OUTLINE

A. Priority Setting

III.1. This will be based on the guiding principles of the NAFP 2003–2013 which is to enhance food security and ensure safe and sustainable agricultural development with regards to bio–diversity and environment. The NAFP places major emphasis on reducing the country’s dependence on imported food, optimizing the use of the scarce land resources and promoting export of traditional crops.

III.2. The NAFP has estimated net required investments in agriculture and fishery sectors at a level of US\$34m or US\$3.4m annually for the period 2003 to 2013, with the components/projects (most of them at the level of project ideas without financing) shown in Annex 2–A.

III.3. The most important farm investment foreseen is farm mechanization and infrastructure, inclusive of housing and feeding equipment for commercial poultry and pig production. Of slightly lower importance is irrigation development, marketing and processing, extension and other support services. Most of the primary agricultural investments are likely to be financed by farmsteads while

marketing and processing would be mostly by the private sector, and government would provide extension and other support services. Importantly, human capacity development in agricultural science, particularly at the tertiary level, would be an area for investment by government and external assistance.

III.4. Criteria for determining investment priorities, based on the NAFFP, shall relate to the main strategic criteria facing the agriculture development in the Seychelles, that are:

- ***Shortage of Foreign Exchange:*** Project profiles should either facilitate the substitutions of agricultural products imports by local production or allow the exportation of agricultural products or both.
- ***Shortage of Agricultural Land:*** In view of the limited amount of available land for agriculture, the project profiles should contribute to discriminate improved technologies in order to increase the productivity of land subjects to conservative measures for a suitable development; and
- ***High Cost of Labour:*** Considering the relatively high cost of labour, project profiles should propose well adapted technologies to increase the productivity of labour in order to allow to compete successfully with imported products or on foreign markets.

III.5. In this context, ***four priority*** areas have been retained for development of “bankable” investment projects profiles,⁷ as follows:

- ***Commercialisation of Agriculture for Local Market and Tourism Development;***
- ***Development of Semi–industrial and Artisanal Fisheries;***
- ***Forestry Development; and***
- ***Animal Production.***

III.6. ***Priority #1 – Commercialisation of Agriculture through Improvement of Trade Related Capacities and Agribusiness Services for Local Market and Tourism Development:***

- ***Promoting Agribusiness Services and Trade Related Capacities.*** To meet expanding demand of the local markets and tourism, agribusiness would be promoted with participation of the private sector and producers, ranging from a venture capital fund to a timely provision of market information. This would be linked to adopting an appropriate strategy for developing financial markets and improving producer access to the latter. This would also be linked to processing and packaging of the potential increase in vegetable and fruit production in addition to fresh products consumption. Particularly jam and fruit juice from local production could replace part of the dried powder fruit currently imported.
- ***Niche Agricultural Development*** through improving rural infrastructures and increasing use of small irrigation and appropriate technology. Main crops of the country (fruit, vegetable, coconut, cinnamon and tea) could therefore be developed for meeting demand of local markets, tourism sector and the international market. Possibly increased agricultural production in vegetables and fruits would replace part of the present import of these products.

III.7. The above will build on the outcome of the *Integrated Agricultural Development Project* (IADP), financed by ADB in 1995 with focus on infrastructural support (US\$2 million loan for

⁷ See Preface.

agricultural undertakings), although this project stopped half way due to economic constraints the country faced in the repayment of loan principal and arrears.

III.8. **Priority #2 – Development of Semi–industrial and Artisanal Fisheries:**

- ***Promoting semi–industrial fisheries.*** The fishery sector is facing several problems, i.e. the preferential treatment of the fish products export to the EU could be stopped in 2008 and the fishing agreements between the EU and the Seychelles government have to be revised in 2005; and a controversy on the Cadmium content of swordfish may damage the export of this type of product to EU countries. There would be a need to thoroughly assess the importance and accessibility of coastal resources as well as the impact of overexploitation of fishery resources by sport fishing by thousand of tourists. In any case, the best strategy should be to react with increasing diversification and productivity, especially for semi–industrial fisheries.
- ***Development of artisanal fisheries.*** There would be need to support artisanal fisherfolks through supporting development of their infrastructures and capacities.

III.9. This priority is reflected in the *Long Term Plan of Development of Fisheries* which was elaborated recently by a consultancy firm, as well as in several existing projects documents (on the renovation of the fishing port, upgrading the facilities of SFA complex, a new fishing port).

III.10. **Priority #3 – Forestry Development.** The Forestry Administration in relation to the Land Plan and the National Park Network has elaborated a *Management Plan for Commercial Forestry* covering 2,500 ha of which 800 ha of Mahogany trees. This plan calls for investments in infrastructure and equipment (mobile saw mill pulled by tractor to reduce transport costs, and wood treatment adapted to Seychelles conditions). The objective of the initiative would be to substitute by local production, 20 to 30 percent of the present wood importation, thus ensuring replanting and conservation.

III.11. **Priority #4 – Animal Production:** The Division of Animal Health Development and Promotion had already considered several project ideas on:

- ***Promoting Pork and Poultry Production.*** The sectoral development objective of the new government is to produce the entirety of the pork and the broiler poultry meat consumed locally thereby reaching self–sufficiency in those two products in the medium term (based on the assessment that in 2003, 50 percent of the pork and 31.3 percent of the broiler poultry meat consumed, were imported).
- ***Developing Livestock Production.*** To develop intensive livestock production the new government is conducting a series of meeting with the stakeholders of the sector. In connection with the MERP in areas of privatisation and liberalization it will closely look at the operations of the Seychelles Marketing Board (SMB) through subjecting its capital (feed mill, abattoir, hatchery, cold storage and blast freezing facilities) to a new form of public private partnership. The Ministry of Finance, SMB and the ministry responsible for agriculture will be in discussion to review the above.
- ***Other,*** among which:
 - Expansion of the pig genetic centre and importation of new blood line;
 - Upgrading the Animal Health Laboratory;
 - Setting up a poultry research station and establishment of a parent stock farm;
 - Sewage system for pig zone; and
 - Upgrading of Victoria Market and the butchers’ shop.

III.12. The staff of the Animal Department in collaboration with national consultants will prepare bankable projects according to the requested format and taking into consideration the above ideas and documents. However, environmental considerations may limit considerably the scope of the project profile in animal production.

B. Project Selection Criteria

III.13. The bankable projects for the CAADP NMTIP should satisfy both the above investment priorities and the CAADP Pillars. Finally the projects should also satisfy the following selection criteria.

- **Technical feasibility and sustainability:** This criterion is particularly important, because it means to verify the technical soundness of the project and its sustainability in terms of resources uses. When previous projects have taken place their technical sustainability may provide useful indications. This criteria covers also the environmental implications.
- **Financial and economic sustainability:** At the level of project identification it is difficult to foresee the financial and economic sustainability, but it is necessary to have sufficient elements to justify the undertaking of project preparation. Indicative crop budgets allow to evaluate if the adoption of new technologies is economically sustainable in the context of the present prices structure. A rough idea of the investment cost per hectare for an irrigation system compared to the crops revenue will give an indication on financial sustainability. If possible, one will do a preliminary comparison of costs and benefits of the project using a simple costs/benefits ratio.
- **Ability to implement the project in the context of ongoing programmes:** It is necessary to verify that identified projects do not make double use with ongoing actions or future projects and also to look for synergies or complementarities with other projects or programmes in order to maximise the expected results on improving the living conditions of rural populations.

C. Preliminary Identification of Projects for Development with FAO Assistance

III.14. The stakeholder workshop had identified *five* major project areas that have met much of the above priorities in this document.

- **Support to Sustainable Pork and Poultry Production.** The overall objective of the project is to enhance national livestock production so that by the end of the project cycle i.e. by 2010, 100 percent of the pork and the broiler poultry meat consumed would be produced locally with a view to raise the national food security status, reduce the cost of living, reduce risks in diseases introduction, meat free from growth promoters and hormones, substitute imports, save foreign exchange, increase local economic activities, farm income and generate employment opportunities
- **Support to Sustainable Fruit and Vegetable Production.** The overall objective of the project is to increase production of fruits and vegetables so that by the end of the planned period, 2013, at least 80 percent of the fruits and vegetables consumed would be produced locally so as to reduce importation of the crop where comparative advantage exist, to save foreign exchange and as a result increase in gross domestic production and to enhance the food security.

- **Support to Semi–Industrial and Artisanal Fishing.** The overall objective of the project is to explore new and under–utilised resources in the Seychelles waters as well as promote the development of aquaculture projects of certain proven finfish species. The project will also look at the commercialisation and value addition to these fish products.
- **Support to Fruit and Vegetable Agro–Processing.** The overall objective of the project is to minimise the wastage of vegetables and fruits on the Mahé, through an efficient system of harvesting, transporting and processing of those raw materials into preserved edible products for the local and export markets.
- **Support to Commercial Forestry, Wood Utilization and Other Forest Products.** The overall objective of this project is to significantly improve, modernize and optimise the harvesting and processing of locally produced timber and ensures their availability within the required standards and dimensions and thereby reduces Seychelles dependence on imported timber.

III.15. The five project ideas all have pictured in their overall objectives a position of economic growth with a tendency to be more food secure, create more employment, reduce on imports and reduce outflow of foreign exchange. Food energy requirements will be enhanced with local products.

IV. FINANCING GAP

IV.1. In the Maputo Declaration of July 2003, the Heads of State and Government of the African Union (AU) committed themselves to increase budgetary allocations to the agriculture and rural development sector so that their share of national budgetary resources reaches 10 percent in five years time (2003/04 to 2007/08). The 10 percent is defined as the “*amount of the total national budget (including domestically–funded, hard and soft loan funded, and grant funded resources) allocated to agriculture and rural development*”. The financing gaps here therefore relate to the shortfalls in projected budgetary allocation to the sector vis–à–vis the 10 percent target. As a small island state and knowing that agriculture is not the main contributor to the economy, it does not give grounds for government and the private sector to reduce investment in agriculture. Unlike other African countries of the region, employment in Seychelles does not depend on agriculture. Nevertheless, government shall endeavour as much as possible to meet the resolution in allocating at least 10 percent of the national budgetary resources for agricultural and rural development during the next five years or for the term specified in its policy (2003–2013).

IV.2. Government expenditure for the decade 1993–2002 has not surpassed SR2 billion annually. The highest annual expenditure in 1998 was SR1.9b. With the macroeconomic reform programme in 2003, the budget for 2004 has been reduced to SR1.23b for allocations to different ministries and departments, a cut down in government expenditure. Given the above it is unlikely that the target for allocating 10 percent of the national budget to agriculture is achievable in the foreseen.

IV.3. As for the allocation to the MAMR, the budget has not surpassed SR23m accounting for less than 2 percent of total government expenditure for the past 10 years. The low budget in relation to total budget outlay emphasizes government’s role as a facilitator in this sector, for over 65 percent of the budget goes to personal emoluments only. In 2004 the MAMR has merged with the Ministry of Environment, now *Ministry of Environment and Natural Resources* (MENR). The budget allocated for the MENR and fisheries account for less than 7 percent, the bulk being from environment. The following tables give the sector allocation and financing gap for the period 1993–2005.

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium–Term Investment Programme (NMTIP)

Table 1: Sector Allocation 1993–2005 (million Rupees)													
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004(*)	2005
Total Budget Outlay	1,429.60	1,319.90	1,148.00	1,406.00	1,638.70	1,942.30	1,788.00	1,674.80	1,629.87	1,759.59	1,648.20	1,226.60	1,195.70
Total Ministries/Departments	636.20	644.90	571.40	585.90	652.00	707.00	704.50	711.80	735.57	757.35	804.00	811.00	794.00
• MAMR	21.10	22.20	16.50	13.20	13.80	15.20	18.80	19.00	19.25	19.58	19.10	67.60	63.00
• Seychelles Fishing Authority	1.71	7.26	6.48	6.34	6.89	7.73	8.40	8.26	8.62	10.35	9.87	8.50	8.00
• Environment	21.80	60.10	20.00	17.60	36.90	45.40	47.40	49.00	42.05	21.11	23.30		
Total Nat. Budget Allocation	44.61	89.56	42.98	37.14	57.59	68.33	74.60	76.26	69.92	51.04	52.27	76.10	71.00
% of Total Budget Outlay	3.1%	6.8%	3.7%	2.6%	3.5%	3.5%	4.2%	4.6%	4.3%	2.9%	3.2%	6.2%	5.9%
% of Total Min./Departments	7.0%	13.9%	7.5%	6.3%	8.8%	9.7%	10.6%	10.7%	9.5%	6.7%	6.5%	9.4%	8.9%
Foreign Aid													
• MAMR	0.34		1.42	6.24	6.99	5.38	5.84	5.39	10.01	3.13		1.50	0.82
• Seychelles Fishing Authority	5.94	26.92	2.39	3.04	2.29	23.40	8.26	4.73	36.52	0.16	14.36		
• Environment													
Total Foreign Aid	6.28	26.92	3.81	9.28	9.28	28.78	14.10	10.12	46.53	3.29	14.36	1.50	0.82
Total Sector Allocation	50.89	116.48	46.79	46.42	66.87	97.11	88.70	86.38	116.45	54.33	66.63	77.60	71.82
% of Tot. Budget Outlay + Foreign Aid	3.5%	8.6%	4.1%	3.3%	4.1%	4.9%	4.9%	5.1%	6.9%	3.1%	4.0%	6.3%	6.0%
% of Tot. Min./Departments + Foreign Aid	7.9%	17.3%	8.1%	7.8%	10.1%	13.2%	12.3%	12.0%	14.9%	7.1%	8.1%	9.6%	9.0%

(*) As from 2004 and 2005 the Ministry of Agriculture and Marine Resources (MAMR) and the Ministry of Environment have been merged into the Ministry of Environment and Natural Resources (MENR).

Table 2: Sector Allocation 1994–2003 (in% calculated from figures in Table 1)											
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	
% of Total Outlay including Foreign Aid											
Ministry of Agriculture and Marine Resources	1.7%	1.6%	1.4%	1.3%	1.1%	1.4%	1.5%	1.8%	1.3%	1.2%	
Seychelles Fishing Authority	2.6%	0.8%	0.7%	0.6%	1.6%	0.9%	0.8%	2.8%	0.6%	1.5%	
Environment (*)	4.6%	1.7%	1.3%	2.3%	2.3%	2.7%	2.9%	2.6%	1.2%	1.4%	
Sector Total	8.8%	4.1%	3.3%	4.1%	5.0%	5.0%	5.2%	7.1%	3.1%	4.0%	
% of Total Min./Depts. Outlay including Foreign Aid											
Ministry of Agriculture and Marine Resources	3.4%	3.1%	3.3%	3.2%	2.9%	3.5%	3.4%	4.0%	3.0%	2.4%	
Seychelles Fishing Authority	5.3%	1.6%	1.6%	1.4%	4.4%	2.4%	1.8%	6.1%	1.4%	3.0%	
Environment (*)	9.3%	3.5%	3.0%	5.7%	6.4%	6.7%	6.9%	5.7%	2.8%	2.9%	
Sector Total	18.1%	8.2%	7.9%	10.3%	13.7%	12.6%	12.1%	15.8%	7.2%	8.3%	

Source: MISD, Ministry of Finance, SFA.
 (*) Above figure does not include foreign aid to Environment

IV.4. From the above tables it is clear that total government budget outlay has not devoted 10 percent or more of its allocation to the agriculture, fisheries and environment for the past decade. The highest was 8.8 percent in 1994 and 7.1 percent in 2001. Nevertheless, comparing percentage wise from only allocation to Ministries and Departments there is indication that for the year 1994 and 1997 to 2001 the budgetary allocation to the above sectors was over 10 percent excluding other investments in the Environment sector.

IV.5. It is to be noted that the above figure also do not include investment related to education and health and other rural community development. The share of government budget for rural development will surely increase if such investments are considered under the declaration to be beneficial to the rural sector.

IV.6. **Foreign Investment.** Between January 1990 and August 2000 a total of 21 foreign funded projects at a total cost of US\$20.01m were implemented in the agricultural sector covering also fisheries and environment issues. Of those projects, FAO assisted 16 at a total cost of US\$1.3m. The remaining five projects were either financed by IFAD, ADB, EDF, EU or GTZ. The government has started discussion with ADB again to see if projects could be considered in the future. BADEA is

actually funding some project in the Seychelles. It can be approached to consider project in the agricultural and fisheries sector.

<i>Spending in Agriculture 2000–2008 in Nominal Values (million Rupees)</i>	Actual			Planned				
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
National Budget	1 759.59	1 648.20	1 226.60	1 196.20	1 404.50	1 424.60	1 444.99	1 444.99
Expenditure on Agricultural Sector	54.33	66.63	77.60	84.42	81.70	83.60	85.66	85.66
<i>Agriculture as% of National Budget</i>	<i>3.09%</i>	<i>4.04%</i>	<i>6.33%</i>	<i>7.06%</i>	<i>5.82%</i>	<i>5.87%</i>	<i>5.93%</i>	<i>5.93%</i>
Agricultural Sector Requirement as per Maputo Commitment (10% of Nat. Budget)	175.96	164.82	122.66	119.62	140.45	142.46	144.50	144.50
Financing Gap	121.63	98.19	45.06	35.20	58.75	58.75	58.86	58.84

Projected figures for 2006-2007 supplied by Finance and 2008 own calculation.

IV.7. The financing gap of the Seychelles as illustrated in Table 3 reflects the importance given by the economy to the agricultural sector versus other sectors. In this regard, tourism has been encroaching agricultural land, particularly in the last decade. This explains why the ceiling for budget allocation to agriculture would be 5.93% towards 2008.

V. MONITORING AND EVALUATION

V.1. All foreign (externally) assisted projects should be monitored and evaluated by a project steering committee comprising of members from all stakeholder ministries, which should also include the Ministry of Foreign Affairs and the Ministry of Finance. The chairperson of the project steering committee should be from the MENR. The project coordinator(s) should be from the respective ministries implementing the projects and the project coordinators should provide regular reports on the progress of the projects to the steering committee. The project steering committee would guide the project execution and would make recommendations to the project coordinators as to how best to move the projects in circumstances of difficult resource acquisition, but nonetheless in keeping with the overall objectives of the projects.

ANNEXES

- Annex 1: Key Indicators and Financing Gap for the NMTIP**
- Annex 2: National Agricultural and Fishery Policy (NAFP) 2003–2013 and Linkage to CAADP**
- Annex 3: Proceedings of the National Stakeholders Validating Workshop**
- Annex 4: List of References**

Annex 1: Key Indicators and Financing Gap for the NMTIP

	1990	2002
GDP (constant 1995 US\$)	440,758,400	477,758,500
Population	70,000	81,117
GDP per capita (constant 1995 US\$)	6297	5,890
Export of goods and services/GDP (%)	62.5	85.0
Imports of goods and services/GDP (%)	66.7	96.6
Trade/GDP (4+5=6)	129.2	181.5
Expenditures, total/GDP (%) (1990, 2000)	49.8	57.9
Total debt/GDP (%)	44.3	64.7
Active population (%) (1990, 2000)	48.6	48.6
Unemployment (%) (1992)	–	9
Human Development Index (2001)	–	0.840

Sources: WB Development Indicators; EIU; UNDP (Human Development Report); World Fact Book

	1997	1998	1999	2000 ⁽¹⁾	2001 ⁽²⁾
GDP at constant 1986 prices (SR million)	2,272	2,462	2,508	2,624	2,574
<i>% real change</i>		<i>8.3</i>	<i>1.8</i>	<i>4.6</i>	<i>-1.9</i>

Source: Statistical Abstract 2002, Management Information System Division
⁽¹⁾ Provisional
⁽²⁾ Preliminary estimate

	% of total
Agriculture and fishing	2.9
Manufacturing	18.2
Construction	10.0
Transport, communication and distribution	37.0
Hotels and restaurants	9.9
Finance	5.6
Government services	12.0
GDP at market prices incl. others	100.0

Exports FOB	US\$ m	Imports FOB	US\$ m
Canned tuna	154.0	Food and live animals	104.5
Frozen and fresh fish	3.3	Machinery and transport goods	84.1
Frozen prawns	1.6	Manufactured goods	80.7
Re-export of petroleum	48.0	Fuel	50.9
		Chemicals	23.6
Total incl. others	230.3	Total incl. others	376.3

Source: EIU

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium-Term Investment Programme (NMTIP)

<i>(SR million)</i>	1990	1999	2000	2001	2002
Total all domestic exports (FOB)	73.1	581.3	706.3	892.4	957.5
Food and live animals	71.0	580.3	702.6	889.2	950.7
Fish (fresh & frozen)	11.7	28.2	20.7	17.3	18.2
Canned tuna	55.3	531.9	606.2	771.2	843.7
Shark fins	2.6	0.3	1.4	1.5	0.2
Frozen prawns	0.0	7.7	18.3	12.1	8.0
Coconuts	0.0	0.0	0.0	0.0	0.0
Cinnamon bark	0.4	1.4	1.0	1.0	1.1
Cinnamon other	0.0	0.8	0.3	0.3	0.1
Other	1.1	10.0	54.6	85.8	79.5
Total re-export (FOB)	228.4	193.8	402.2	370.8	291.6
Food and live animals	0.1	1.0	1.8	1.6	1.2
Beverage and tobacco	1.2	4.0	4.5	5.3	5.4
Crude material, inedible	0.0	0.6	0.0	0.1	0.0
Mineral fuels, etc	148.9	169.6	356.8	296.6	253.1
Animal and vegetable oils and fats	0.0	0.0	0.6	0.0	0.0
Chemicals	0.2	3.6	15.3	30.4	9.5
Manufactured goods	0.0	2.2	0.6	4.0	0.3
Machinery and transport equipment	74.9	9.5	20.5	19.8	19.4
Miscellaneous manufactured articles	3.1	3.3	1.9	13.9	2.6
Commodities not elsewhere specified	0.0	0.2	0.2	0.6	0.1
Total all imports (CIF)	993.8	2,317.0	1,949.9	2,776.0	2,294.9
Food and live animals	155.7	435.0	461.6	597.1	614.3
Beverage and tobacco	26.2	29.0	26.6	21.1	35.7
Crude material, inedible	19.3	31.7	29.3	31.3	33.0
Mineral fuels, etc	191.6	228.4	422.7	409.1	327.4
Animal and vegetable oils and fats	5.9	44.9	50.5	43.2	49.5
Chemicals	54.1	130.7	114.4	131.0	146.1
Manufactured goods	165.5	556.9	345.9	330.2	381.9
Machinery and transport equipment	262.9	674.8	320.9	1,037.3	525.2
Miscellaneous manufactured articles	111.3	184.7	177.0	173.5	181.0
Commodities not elsewhere specified	1.2	0.9	0.9	2.2	0.8
Trade Balance	-692.3	-1,541.9	-8,41.4	-1,512.8	-1,045.9

Source: Statistical Abstract, Management Information System Division

	1979/1981				1999/2001			
	kcal	%	Proteins (g)	Fat (g)	kcal	%	Proteins (g)	Fat (g)
Total	2,281	100.0	67.2	44.7	2,434	100.0	77.8	79.0
Vegetable products	1,909	83.7	32.5	23.9	1,973	81.1	38.3	51.9
Animal products	372	16.3	34.7	20.8	461	18.9	39.5	27.1

Source: FAO, Food Balance Sheets

	1987-88	1990-99
Underweight children 0-5 years old (%) (W/A)*	5.7	6.0
Chronically malnourished children 0-5 years old (%) H/A - stunting*	5.1	
Acute malnourishment (% of children under 5) W/H - wasting*	2	
Poverty Incidence (people below the poverty line) (1984-1992)	31.0	19.0

* Last survey in 1987/1988 Source: WHO, World Bank

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium-Term Investment Programme (NMTIP)

	1990	2000	2001	% diff. 1990–2001
Agriculture, value added (% of GDP)	4.8	2.9	2.87	-1.9
Agriculture, value added (annual% growth)	16.3	2.0	1.5	-14.8
Active ag. population (% of total active pop., 1990–2000)	82.4	76.9		-5.4
Agricultural products, total (Exports – Value x \$1,000)	634	1,238	1,178	85.8*
Agricultural products, total (Imports – Value x \$1,000)	30,808	52,468	47,870	55.4*
Agriculture export (% of GDP)	0.2	0.2	0.2	0.0

* Growth rate Source: FAOSTAT, World Bank Indicators

1990		2000		2001		2002	
No.	% of total	No.	% of total	No.	% of total	No.	% of total
2,199	9.3	2,129	6.6	2,143	6.5	2,122	6.2

Sources: Management and Information Systems Division, Statistical

	1990	2000	2010	2015	% growth 1990–00	% growth 2000–10
Total population (x1,000)	70	80	91	97	14.3	13.8
Total active (x1,000)	34	39			14.7	
Active agriculture (x1,000)	28	30			7.1	
Active other sectors (x1,000)	6	9			50.0	
Active population/total population (%)	48.6	48.8			0.2*	
Active ag./active other sectors (%)	466.7	333.3			-133.3*	
Active agriculture/total active (%)	82.4	76.9			-5.4*	
Rural population (x1,000)	32	29	29	27	27	-9.4
Rural/total population (%)*	45.7	36.3	35.0	29.7	27.8	-9.5

*% difference Data source: FAOSTAT

	1990	2000	2001	Growth rate 1990/01 (%)
Total area (1,000 ha)	45	45	45	0.0
Land area (1,000 ha)	45	45	45	0.0
Agricultural area (1,000 ha)	6	7	7	16.7
• Arable Land	1	1	1	0.0
• Permanent Crops	5	6	6	20.0
• Permanent Pasture	0	0	0	0.0
Forests and Woodland (1,000 ha)	5			
All other land (1,000 ha) (1990, 1994)	34	33		-2.9
Agricultural/total land area (%)	13.3	15.6	15.6	2.2*
• Arable land/agriculture	16.7	14.3	14.3	-2.4*
• Permanent crops/agricultural area	83.3	85.7	85.7	2.4*
Forest and woodland/total land area (%)	11.1			

*% difference Data source: FAOSTAT

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium–Term Investment Programme (NMTIP)

(tonnes unless otherwise indicated)	1990	1999	2000	2001	2002
Copra production	874	301	377	421	262
Cinnamon bark exports	71	214	177	147	158
Tea production (green leaf)	219	236	246	231	222
Cattle slaughtered (heads)*	320	139	147	129	83
Pigs slaughtered (heads)*	5,517	6,629	8,619	8,648	8,808
Chickens (1,000 heads)*	400	695	724	700	675
Fruits		1758	798	1053	1088
Vegetables		3632	3226	2065	2152
Root–crops		437	607	556	450
Spices		34	25	19	8

* Le Rocher abattoir only.
Sources: Central Bank of Seychelles (CBS); Management and Information Systems Division (MISD);
Statistic Unit (MENR)

	1990	2002	Annual growth rate	
Cinnamon (Canella)	Area harvested (ha)	1,100	2,900	8%
	Yield (hg/ha)	1,636	793	-6%
Tea	Area harvested (ha)	400	450	1%
	Yield (hg/ha)	5,475	5,133	-1%

Source: FAOSTAT

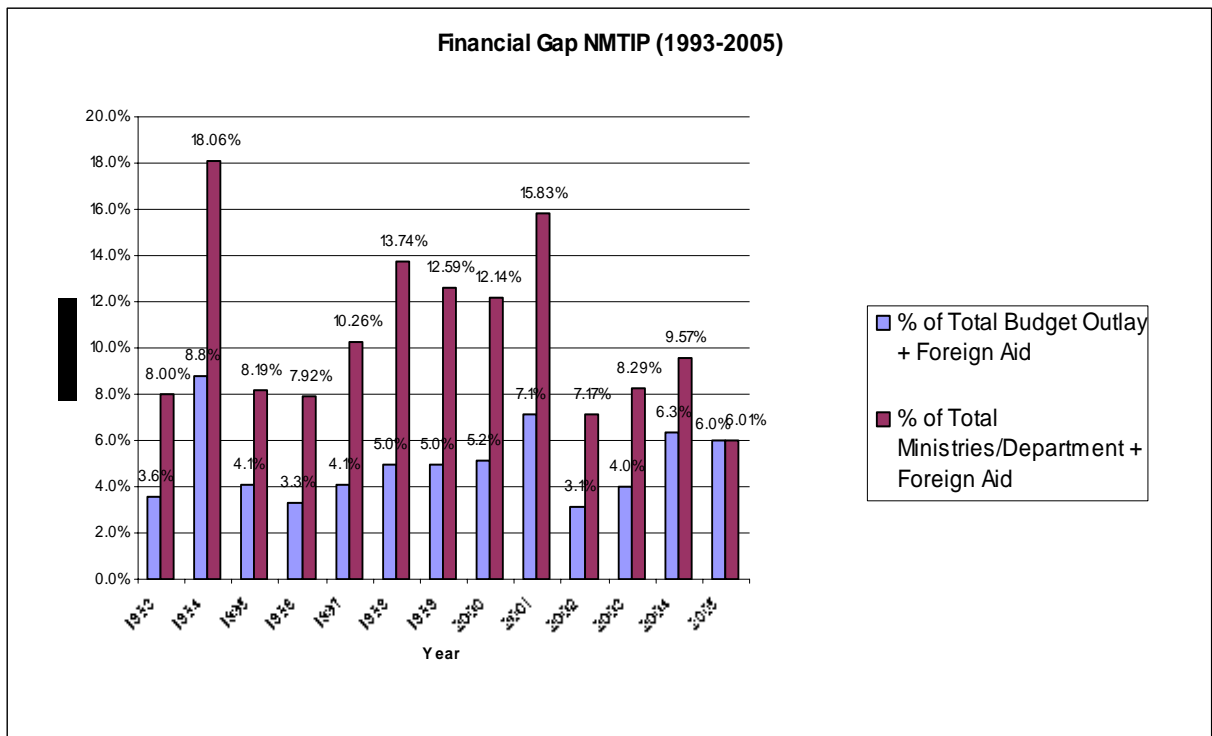
(tons)	1990	1999	2000	2001	2002
Artisanal catch	5,359	4,842	4,768	4,290	4,914
Industrial catch	221,897	331,422	330,340	296,141	379,253
Transhipped	165,703	257,447	269,673	255,551	332,860
Production of canned tuna	2,763	33,234	28,781	27,789	34,503
Prawns	n/a	227	425	282	234

Sources: CBS; MISD; SFA Report

	1990	1994	1997
Improved sanitation facilities (% of households with access)		78.0	86.0
Improved sanitation facilities (% of total population with access)	65.0		
Improved water source (% of households with access) 1987, 1994, 1997	75.0	82.0	85.0
Roads, paved (% of total roads)	56.9	61.5	84.5
Roads, total network (km)		302	373
Telephone mainlines (per 1,000 people)	123.9	163.9	230.7
Telephone mainlines per employee	28.4	38.8	55.2
Electrification (number of households in%) 1987–1997	75.0		92.0

Sources: WB development indicators; MISD; Population and Housing Census, 1997.

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium-Term Investment Programme (NMTIP)



Annex 2: National Agricultural and Fishery Policy (NAFP) 2003–2013 and Linkage to CAADP

A. NAFP 2003–2013 Investment Projects Proposals

Projects	Assistance for funding and technical expertise	Cost estimate (SR)*
Agricultural Land Information System Project.	<ul style="list-style-type: none"> • Funding: External for equipments and consultancy fee. • Technical advice: Local and External 	345,000 (US\$65,094)
Training of trainer for vocational training centre	<ul style="list-style-type: none"> • Funding: GOS and external 	186,000 (US\$35,094)
Agro processing incubator project	<ul style="list-style-type: none"> • Funding: GOS for improvement of infrastructures; external funding for equipments • Technical advice: External for consultancy 	610,000 (US\$115,094)
Expansion of the pig genetic centre and importation of new bloodline.	<ul style="list-style-type: none"> • Funding: GOS and external • Technical Advice: External 	1 million (US\$188,679)
Upgrading of the Animal Health Laboratory	<ul style="list-style-type: none"> • Funding: External for infrastructure and equipments • Technical Advice: External, consultancy and staff training. 	1 million (US\$188,679)
Setting up a poultry research station and establishment of a parent stock farm	<ul style="list-style-type: none"> • Funding: GOS labour and logistics and external infrastructure, materials and equipment. • Technical Advice: External and local 	3 million (US\$566,037)
Capacity building of the Animal Health Division	<ul style="list-style-type: none"> • Funding: GOS • Technical advice: External • Training: external/local 	N/A
Redevelopment of the cattle farm and the artificial insemination project	<ul style="list-style-type: none"> • Funding: GOS • Technical advice: Local 	807,000 (US\$152,264)
Upgrading of the abattoir	<ul style="list-style-type: none"> • Funding: GOS/SMB/ Private • Technical: Local/external 	N/A
Upgrading of the hatchery	<ul style="list-style-type: none"> • Funding: GOS/SMB • Technical: Local/external 	N/A
Regional Plant Protection Programme	<ul style="list-style-type: none"> • Funding: External • Technical Advice: External 	5,791,050 (US\$1,092,650)
After sales service programme	<ul style="list-style-type: none"> • Funding: GOS 	250,000 (US\$47,169)
Melon fly eradication programme.	<ul style="list-style-type: none"> • Funding: GOS and external • Technical Advice: External 	N/A
Evaluation of greenhouse & fertigation technology development in the Seychelles	<ul style="list-style-type: none"> • Funding: GOS and external • Technical Advice: External 	984,961 (US\$185,841)
New premises for the maritime training Section	<ul style="list-style-type: none"> • Funding: External • Technical advice 	30 million (US\$5,560,377)
Redevelopment of the Union Vale agricultural complex	<ul style="list-style-type: none"> • Funding: GOS 	18 million (US\$3,396,226)
Upgrading the capacity of the Agricultural Planning Section	<ul style="list-style-type: none"> • Funding: External for short–term training of staff. 	500,000 (US\$94,339)
Agricultural census	<ul style="list-style-type: none"> • Funding: External • Technical advice: External/Local 	N/A

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium–Term Investment Programme (NMTIP)

Projects	Assistance for funding and technical expertise	Cost estimate (SR)*
Sewage system for pig zone	<ul style="list-style-type: none"> • Funding: External • Technical advice: External/Local 	N/A
Upgrading of Victoria Market and the butchers' shops	<ul style="list-style-type: none"> • Funding: External 	1 million (US\$188,679)
Extension of the tuna quay and renovation of the fishing port.	<ul style="list-style-type: none"> • Funding: External 	20 million (US\$3,773,584)
Upgrading the facilities of SFA complex	<ul style="list-style-type: none"> • Funding: External 	3 million (US\$566,037)
New fishing port	<ul style="list-style-type: none"> • Funding: External 	25 million (US\$4,716,981)
New fuel station	<ul style="list-style-type: none"> • Funding: External 	700,000 (US\$132,075)
Monitoring and evaluation of artisanal fishery in the Seychelles	<ul style="list-style-type: none"> • Funding: External • Advice: External 	58,000 (USD10,943)
Monitoring and collection of crop and livestock production statistics	<ul style="list-style-type: none"> • Funding: GOS 	N/A
Evaluation of the impact of agricultural development on the environment.	<ul style="list-style-type: none"> • Funding: GOS 	N/A
Economic analysis of the agricultural sector	<ul style="list-style-type: none"> • Funding: GOS 	N/A

* Conversion rate US\$1.00 = 5.3 SR; €1.00 = 5.1 SR.

NEPAD – Comprehensive Africa Agriculture Development Programme
Seychelles: National Medium–Term Investment Programme (NMTIP)

B. NAFFP Investment Proposals’ Linkage to CAADP

Investments Proposals	CAADP Pillar				
	1	2	3	4	5
Agricultural Land Information System Project.	X				
Training of trainer for vocational training centre			X		
Agro processing incubator project					X
Expansion of the pig genetic centre and importation of new bloodline.					X
Upgrading of the Animal Health Laboratory					X
Setting up a poultry research station and establishment of a parent stock farm					X
Capacity building of the Animal Health Division					X
Redevelopment of the cattle farm and the artificial insemination project					X
Upgrading of the abattoir					X
Upgrading of the hatchery					X
Regional Plant Protection Programme			X		
After sales service programme		X			
Melon fly eradication programme.			X		
Evaluation of greenhouse & fertigation technology development in the Seychelles				X	
New premises for the maritime training Section				X	
Redevelopment of the Union Vale agricultural complex				X	
Upgrading the capacity of the Agricultural Planning Section				X	
Agricultural census				X	
Sewage system for pig zone					X
Upgrading of Victoria Market and the butchers’ shops		X			
Extension of the tuna quay and renovation of the fishing port.					X
Upgrading the facilities of SFA complex					X
New fishing port					X
New fuel station					X
Monitoring and evaluation of artisanal fishery in the Seychelles					X
Monitoring and collection of crop and livestock production statistics				X	
Evaluation of the impact of agricultural development on the environment.				X	
Economic analysis of the agricultural sector				X	

Annex 3: Summary Proceedings of the *National Stakeholder Validation Workshop*

The workshop was held on 15–16 July 2004 at Victoria. It led off with an opening speech by the Principal Secretary, Natural Resources of the Ministry of Environment and Natural Resources. This was followed by with an overview by the FAO Representative on the NEPAD–CAADP. The main document *National Medium–Term Investment Programme* (NMTIP) was then presented by the National Project Coordinator. There was a major discussion on the NMTIP by all participants. Later, five project profiles were presented. The next day the workshop continued with group discussions on the project profiles and suggested any amendments that were required. The documents were validated by the participants.

Objective of the Workshop

The workshop was aimed at bringing the major stakeholders to deliberate on main priority areas for formulating Bankable Investment Project Profiles (BIPP) and the country to finally come up with a final National Medium–Term Investment Programme (NMTIP).

Presentation and Discussion of Draft Documents

A total of 39 participants were present representing the private sector, parastatal institutions and Government. It was recalled that Seychelles was at a major juncture of its development: a new presidency introduced changes in the national economic sectors including the agriculture and food sectors, with a view to developing public private partnership.

A total of 6 documents were presented to and discussed at the workshop.

The first presentation was on the draft NMTIP. Discussion of the draft NMTIP was the occasion of mentioning the trend of the financial gaps during 1994–2003 and the commitment of African countries to at least allocate 10% of the national budget to the agricultural sector (agriculture, fisheries, forestry). They also showed some trends in agriculture in the Seychelles followed by the overall policy objective of the sector. Constraints, strengths and opportunities were highlighted. The priority setting was also presented being mainly in the following areas: Commercialisation of Agriculture for Local Market and Tourism Development; Development of Semi–industrial and Artisanal Fisheries; Forestry Development; and Animal Production.

The discussion of the draft NMTIP was followed with the presentation of and discussions on five project profiles namely: (a) Support to sustainable pork and poultry production; (b) Support to sustainable fruit and vegetable production; (c) Support to semi–industrial and artisanal fishing; (d) Support to fruit and vegetable agro–processing; and, (e) Support to wood exploitation and utilization. Then the workshop formed 5 discussion groups.

Group Discussion

The composition of the 5 groups was performed to ensure that stakeholders of similar interest were placed together for effective discussion. Others that had general roles could freely select the group of their interest. The group discussion was directed towards the critical analysis of Seychelles agricultural development issues as well as finalising of the project profiles previously presented.

(i) Commitment by AU to allocate at least 10% of national budget to agriculture within 5 years

Even though the agricultural sector in the Seychelles has declined in its share contribution to the GDP the participants acknowledged that production has increased over the years compared to the 1960's where the GDP stood at 40%. With tourism and fisheries sector dominating the economy it was felt that food security in the country still needs to be improved due the remoteness of the Seychelles. The participants felt that the government should have a greater political will to ensure that the country works towards the targets highlighted in the *National Agricultural and Fisheries Policy 2003–2013*. There was great debate that the agricultural sector should try and contribute more to the GDP. Participants agreed that the private sector and NGO's should be better organized and contribute further to national food security.

(ii) Constraints and lesson learnt

Basically under the constraint issue it was indicated that none was mentioned concerning the fisheries sector and that the final document should highlight these constraints. There was the need to diversify in this field due to future limitation in having preferential rights in the EU markets in 2008. The need to develop the artisanal fishing port, onshore facilities for fish processing and other fishing methods were issues and constraints raised by the participants.

Human resource development was greatly discussed upon, mainly because government was not consistent in that area. The participants also felt that the private sector is also not playing their role to continue with further development of its human resource. That called on the set up of a proper structure for human resources development in the ministry to increase interest in this field and improve on incentives.

Another constraint not mentioned in the document was the level of mechanization to reduce cost of production and increase efficiency and output. However, that should not neglected quality products. There should be emphasis on value added products with export opportunities. Training in areas of mechanized processes was strongly recommended to ensure utilization of local products for agro-processing.

Within the livestock sub-sector participants felt that existing legislation and laws were not being enforced adequately and that led to some disorder in the system. There was the need to re-look at the existing regulations and encourage the private sector to help with the enforcement.

As land was one of the major elements of production its protection was greatly debated upon as one of the constraints that may impede further development to secure food security. However, it was noted that intensification in production is required to yield more from existing unit of area. That called on the introduction of much improved technology to improve productivity and quality output.

(iii) Strengths and Opportunities

Participants discussed lengthily on the aspect of value added products that can be consumed locally and have an opening to international market. There was the need to develop the cottage industry ensuring that packaging and labelling is at the required standard and meets customer expectation especially in the tourism sector.

The probability to export local timber (mahogany and albizia) within the region was an area that could be explored in having the right machinery for its proper exploitation. There was the need to also replace part of the imported construction wood by local ones. One main constraint in the area is

investment in technology and capable human resource to adequately in a proper manner exploit the existing wood forest and ensuring reforestation.

Now with reoccurring avian diseases in the eastern part of the hemisphere participants agreed that Seychelles can produce in its totality all the broiler and pork meat it consumes and processes. There is opportunity to venture full scale production in these two livestock areas with the proper facilities. There was a call for liberalization in the poultry industry with more incentives.

(iv) NMTIP priority settings

The Groups discussed and confirmed the priorities retained in the draft NMTIP:

- Priority 1: Commercialisation of Agriculture through Improvement of Trade Related Capacities and Agribusiness Services for Local Market and Tourism Development;
- Priority 2: Development of Semi–industrial and Artisanal Fisheries;
- Priority 3: Forestry Development;
- Priority 4: Animal Production.

(v) Environmental consideration

Participants listed out a few factors to be taken into consideration concerning the environment such as:

- Sewage treatment system for the pork industry for a safer environment and its possible use of the treated effluent for irrigation
- Agro processing should take into consideration environmental factors. Promotion in compost making from agro processing residues
- Raise awareness on sustainable development
- Incentive for promoting organic farming
- Strict conservation and control on import and application and disposal of farm chemicals that may pollute the environment
- Monitoring of pesticide residue and other chemicals in food, water and human
- Policy on GMOs, labelling of products
- Obsolete pesticides , avoid dumping
- Degradation in forestry activities leading to soil erosion
- Developing aquaculture that limits introduction of invasive species
- Use of chemicals in the fishing/ fisheries industry
- Diversification to reduce overexploitation of the coastal zone that may cause stock depletion in the future. There is need to exploit deeper waters.

Recommendation of the Workshop

Participants was a bit worried about the successful implementation of the different project profiles and recommended that institutes such as FAO and others should assist in the promotion of these profiles to financing institutes for funding and that government should also contribute its share.

The NMTIP and the relevant approved project profiles should be amended accordingly to reflect the deliberation of the workshop presentations and group discussion and ensure that such profiles are in line with the main four pillars of NEPAD.

Conclusion of the Workshop

In general the workshop was a success and attended by participants from all intended stakeholders. However it appeared that some participants did not thoroughly take time to read the relevant documents because much of the concerns in group discussion some were highlighted in these documents.

Project profiles that were presented gave a clear picture to improve food security, create job opportunities, enhance economic growth and reduce imports. Whereas, the group discussions were very fruitful allowing participants to debate further on the presentations depicting the constraints and gaps and suggesting feasible amendments where required.

Positively validating the main NMTIP document and the project profiles by the participants, confirmed that the workshop was in line with the trend to enhance economic growth in the sector so as to contribute more to the GDP.

After the two stressful days of the workshop with limited time the participants felt that they had given their utmost to ensure that the workshop turn out well and within their expectation. There was a general sense of achievement and participation.

Annex 4: List of References

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