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I. Situation analysis

1. Seychelles is an upper middle income small island developing State with a high gross domestic product per capita of \$9,028 and a high human development index of 0.845. (Figures from 2010.) The UNDP Country Assessment Report for 2010 and the Seychelles Millennium Development Goals: Status Report 2010 reveal that the country is on track to achieve most of the Millennium Development Goals, especially for health, education, poverty reduction and environmental sustainability. Seychelles also has a good record regarding promotion of gender equality and empowerment of women. As a result of the establishment of legislative safeguards, formal discrimination against women in the public sphere is no longer prevalent, and the 1993 Constitution has been amended to remove most gender discriminatory language. Moreover, Seychelles remains one of the leading African countries in the region as regards women's representation at the highest echelon of decision-making.

2. These achievements have been realized in the face of adverse domestic and global challenges coupled with a transition from a welfare state to a market-based economy. In 2010, Seychelles became the first African country at the Millennium Development Goals Summit to commit to the Millennium Development Goals Plus allowing the country to set new country-specific and ambitious targets. The impressive socio-economic progress of the country is largely attributable to a generous welfare system financed primarily through a steady inflow of official development assistance, which has provided the population with a wide range of welfare benefits. In terms of underlying growth drivers, tourism and fisheries continue to be important, although the Government has diversified into other areas such as offshore financial services and, more recently, petroleum shipping.

3. Notwithstanding these achievements, Seychelles continues to face several challenges relating to the Millennium Development Goals as well as to sustaining past achievements in human development, as noted in the 2010 Status Report and Country Assessment Report. The sharp decline in official development assistance — a decline of more than 90 per cent since the late-1990s — has led to increased borrowing at commercial rates, accumulated debt arrears and severe balance of payments problems. These problems were exacerbated by the global food, energy and financial crises, compelling the country in November 2008 to resort to a stabilization and structural reform process supported by the International Monetary Fund. Replacement of universal subsidies with a targeted social safety net formed an important component of the reform programme. According to recent data from the newly established Social Welfare Agency, however, the number of households seeking welfare assistance has more than doubled over the past two years as the impact of the reform has been felt increasingly by poorer households and vulnerable groups, especially female-headed households. While abject, visible or absolute poverty does not exist in Seychelles, there are still pockets of relative poverty. (See the Status Report for 2010.) In addition, new and emerging social issues include gender-based violence, prostitution, use of narcotic drugs and HIV infections among intravenous drug users and commercial sex workers.

4. One of the negative effects of the public sector reform has been the further weakening of several institutions. By 2010, the Department of Environment, one of the key partners in the promotion of sustainable environmental protection, had seen its staff reduced by more than 50 per cent. This led in turn to the creation of several new environmental agencies with limited implementation capacities. At the same time, several new governance institutions (such as the Procurement Board, Ethics Commission and National Human Rights Commission) have been established as a part of the reform programme. The effective functioning of these bodies, in particular of the National Human Rights Commission, remains a challenge due to capacity constraints. Institutional capacity weaknesses have been exacerbated by the high mobility of qualified personnel and by brain drain, as well as by the lack of timely and appropriate disaggregated data. The recent establishment of the National Bureau of Statistics and of the University of Seychelles should help to address data and manpower needs in the future.

5. Seychelles continues to face the typical constraints of a small island developing State. In addition, increased piracy in the western Indian Ocean over the past few years has added to the

development challenges, as it has had a direct negative impact on both tourism and fisheries. Seychelles continues to play a leading role in the effort to advance the small island developing State agenda in the international arena. Notably in 2007 Seychelles launched the Sea Level Rise Foundation to raise awareness of the threats posed by climate change to small low-lying islands.

6. Seychelles also forms part of a recognized global biodiversity hot spot and is home to two UNESCO World Heritage Sites (Aldabra Atoll and Vallée De Mai) and to three Ramsar wetland sites. More than 50 per cent of the terrestrial area of Seychelles is under some form of protection. The environment of the Seychelles is relatively intact, but increasing pressure is being felt as the country faces the challenge of conflicting land uses — for housing, tourism, agriculture and near-shore coastal fisheries. These conflicts could affect livelihoods and food security. The third Environmental Management Plan of Seychelles (2011–2020) will be a key instrument for dealing with these critical issues.

II. Past cooperation and lessons learned

7. The 2009 Assessment of Development Results concluded that UNDP support has generally been well aligned to national policies and plans and has responded to priorities and needs in the environment and governance sectors as well as to the tsunami. The previous country programme focused mainly on capacity-building for State and non-State actors in the areas of: human-resource planning; human rights and gender; environmental protection; planning for climate change mitigation; and disaster planning and management. Moreover, the support has been closely aligned with globally agreed priorities for development. Achievements have been made in raising awareness, in increasing understanding and in individual capacity development.

8. The Assessment of Development Results highlights some noticeable successes, such as the implementation of the National Capacity Self-Assessment (NCSA), which was considered to offer a model for other countries around the world. This contributed to the transfer of knowledge and to building networks. It raised awareness and introduced new concepts and tools. It also provided a more complete understanding of capacity needs, going beyond training needs to a more comprehensive description of many of the capacity needs in the environment as well as other sectors at individual, institutional and systemic levels.

9. In the area of governance, interventions have generally been well institutionalized and sustained, with a few exceptions relating to adequate assessment of the existing institutional context of the civil society. The Assessment of Development Results, however, highlights how the UNDP interventions did not create adequate synergies and did not develop complementarity and coordination with an ongoing Government programme to support civil society.

10. With respect to disaster response and preparedness, UNDP has built sufficient capacity to promote risk reduction and respond to future disasters, especially to respond effectively to occurrences of tsunamis. The successful coordinating role played by the UNDP county office during the disaster contributed to raising its visibility in Seychelles — with Government officials as well as international donors.

11. The Assessment concluded, in addition, that a comprehensive assessment could have been undertaken of the Department of Environment as part of the development of the third Environmental Management Plan. The proposed country programme will, therefore, ensure greater national ownership and integration with ongoing government reform programmes. As per the Assessment, UNDP will focus on capacity development of the Department of Environment: the key institution responsible for the majority of the environmental interventions under the current programme. Likewise, the new programme will reinforce the capacities of the Social Welfare Agency.

III. Proposed programme

12. Given the limited number of United Nations resident agencies in Seychelles — the World Health Organization is the only one — the country is not required to prepare a United Nations Development Assistance Framework. Thus the preparation and identification of proposed programme areas of the country Programme involved consultations with the Government of Seychelles, United Nations system agencies, multilateral donors, private sector organizations and civil society. This process has been guided by the following considerations:

- (a) national priorities identified in the most recent assessments and studies;
- (b) national sectoral plans on gender-based violence (2010-2011) and on social development and environmental management (2011 – 2020);
- (c) the mandate and demonstrated comparative advantage of UNDP; and
- (d) existing partnerships and ongoing programmes, including potential areas for joint programmes with United Nations agencies.

13. The programme will be anchored in the ongoing macro-economic reform programme of the Government and will help develop and strengthen the capacities of institutions and individuals in the public sector and civil society to promote good governance, environmental protection, energy efficiency, water resources management, climate change adaptation and poverty alleviation.

A. Poverty reduction and Millennium Development Goal achievement

14. UNDP will build capacity of the newly established Social Welfare Agency and the National Bureau of Statistics to develop a national poverty line and establish an autonomous poverty-monitoring system. In so doing, it will build analytical capacity to administer social programmes. This capacity will make use of appropriate data and statistical techniques. It will ensure that the new safety net is comprehensive, can cushion the adverse impact of economic reform on the most vulnerable segments of society, and can help to reduce poverty. The focus on the reform of the social welfare system is in line with the Government's policy to provide social protection to the most vulnerable segments of the Seychelles society, particularly during the economic transition from a welfare state to a competitive economy.

B. Democratic governance

15. As regards the Democratic Governance focal area, a partnership will be developed with the European Union to promote good governance in Seychelles. The programme will contribute to the development of a national human rights action plan and build the capacity of the newly established National Human Rights Commission to implement this plan. A small grants programme will be implemented to facilitate the participation of non-State actors in development policy and in the promotion of good governance. The programme will develop the capacities of policy-making bodies, the criminal justice system, and security and law enforcement organizations to respect and adhere to human rights practices and principles in their work. In addition it will build local capacity for treaty body reporting at the national level.

C. Environment and sustainable development

16. UNDP will continue to contribute to the development of local capacities in environmental management that promotes sustainable economic development. These efforts will help improve environmental data collection and decision-making, as well as reporting under the various environmental conventions. They will promote synergies and public-private partnership (co-management for the conservation of biodiversity resources). They will build capacity to develop climate-change adaptation strategies, develop alternative energy sources, advance integrated water resources management, increase the terrestrial areas under protection, promote sustainable land management, and control invasive species. In so doing,

the country programme will support the implementation of the 2011-2020 Environmental Management Plan of Seychelles. Appropriate linkages will be forged with the Global Environment Facility (GEF) Small Grants Programme for scaling up local environmental initiatives and combining them with larger GEF funded projects as and when feasible. In particular, the country programme will focus on capacity development of the national institutions with specific focus on: the Department of Environment and environmental non-governmental organizations (NGOs). The objectives will be policy development and the development of institutional and legal frameworks to improve and enforce environmental laws and regulations.

IV. Programme management, monitoring and evaluation

17. The country programme will be nationally executed. National execution will not, however, exclude the use of expertise, of the experience of specialized United Nations agencies, United Nations Volunteers or international consultants, or of South-South or North-South cooperation, when appropriate. Other implementation modalities, including fast track and the direct execution/implementation modality (DEX/DIM) will be adopted as necessary. The country programme will be transformed into a country programme action plan (CPAP) to be signed by the parties. UNDP will ensure that project monitoring and evaluation systems are in place and aligned with the results framework. Regular programme steering committee meetings will be held with coordinating ministries during missions from the UNDP country office to Seychelles.

18. The resource mobilization and partnership strategy for the country programme will hinge on regular policy dialogue with strategic partners. UNDP will continue to mobilize resources via thematic trust funds (Democratic Governance Thematic Trust Fund and the United Nations Trust Fund Supporting Initiatives of States Countering Piracy off the Coast of Somalia). Co-financing commitments have been received from the Government and other stakeholders for GEF-funded ongoing projects as well as for projects in the pipeline under GEF-5 allocation for the period 2010-2014. UNDP will work with the Government to mobilize additional resources under the various financial mechanisms for climate-change adaptation. Regular consultations will be held with bilateral and multilateral development partners as well as with United Nations agencies to explore partnerships and collaboration in the proposed programme areas.

19. To improve the monitoring and coordination of the programme in Seychelles, as recommended in the Assessment of Development Results, the UNDP country office is considering the establishment of a stronger presence in Seychelles as part of the ongoing restructuring, contractual reforms and standardization process being undertaken. This will upscale the previous technical management unit that was established to monitor the tsunami reconstruction projects and provide stronger substantive support to the ongoing programme implementation.

Annex. Results and resources framework for Seychelles (2012-2016)

National priority or goal: Supporting inclusive growth and restoring the country on a sustainable growth path.					
Country programme outcome 1: Capacities of the Social Welfare Agency and the National Bureau of Statistics strengthened to promote the establishment and regular monitoring of a national poverty line leading to a better targeting of social welfare programmes in Seychelles. Outcome indicator: By 2014, reliable disaggregated data are available from the poverty monitoring system for welfare assessments. Related strategic plan focus areas: Poverty Reduction and Millennium Development Goal Achievement.					
Government partner contribution	Other partner contributions	UNDP contribution	Indicator(s), baselines and target(s) for UNDP contributions	Indicative country programme outputs	Indicative resources by outcome (\$)
The Government will adopt the new means testing system developed for calculating welfare assistance and make financial resources available for the regular conduct of national surveys allowing poverty measurements.	Bilateral and multilateral partners as well as civil society organizations with an interest in social programmes will support the conduct of related national surveys.	UNDP will expose the National Bureau of Statistics and Social Welfare Agency to cutting-edge statistical techniques and methodologies designed to oversee the design of survey questionnaires, conduct surveys, and analyse data to assess the poverty line and other dimensions of relative poverty.	Indicator: Accurate, timely, relevant and disaggregated data available to make welfare assessments. Baseline: Non-availability of disaggregated data on poverty. Target: The Social Welfare Agency and the National Statistics Bureau use statistical techniques for poverty assessments and means testing and have conducted at least one national survey on poverty and social welfare by 2014.	Analysis/assessments, policy/programme dialogue and institutional development plans completed for the administration of social welfare programmes based on the availability of appropriate data.	Regular: 85,000
					Other: Government cost-sharing to be determined.
National priority or goal: Promote environmental sustainability in Seychelles.					
Country programme outcome 2: By 2016, the governance systems, use of technologies and practices and financing mechanisms that promote environmental, energy and climate-change adaptation have been mainstreamed into national development plans. Outcome indicator: Area of terrestrial and marine ecosystems under improved management or heightened conservation status increased by 50 per cent by end of 2016. Related strategic plan focus areas: Environment and Sustainable Development.					
The Government will provide the	The GEF Regional Coordinating Unit	UNDP will increase its analytical and substantive	Indicator: Area of terrestrial and marine	Models demonstrating cost effectiveness of	

<p>required institutional means to the Department of Environment so it can lead the implementation and management of all GEF projects in Seychelles.</p>	<p>based in Pretoria will provide backstopping and technical advisory services in project development, as well as during implementation, to ensure quality programming and reporting to the GEF.</p>	<p>inputs and support to the Department of Environment and the Programme Coordination Unit, and engage in policy dialogue with national authorities to mobilize resources for adaptation as well as for other governance initiatives, and to promote strategic partnerships.</p>	<p>ecosystems under improved management or heightened conservation status. Baseline: Marine protected area coverage of 29,836 hectares (2006 baseline) and terrestrial (24,978 ha). Target: Marine protected area coverage increased to >37,500 ha and terrestrial increased to > 26,000 ha.</p>	<p>NGO/Government partnership in protected-area planning and management created and implemented in three new protected areas.</p>	<p>Other Resources: 11 million (GEF) 3 million (Government) 7 million (Adaptation Fund)</p>
<p>National priority or goal: Build capacity of State and Non State actors to improve and strengthen governance capacity in Seychelles society, with particular emphasis on the area of human (including gender) rights, for the sustainable and equitable development of Seychelles.</p>					
<p>Country programme outcome 3: Policy-making bodies, the criminal justice system, security and law enforcement organizations respect and adhere to human rights practices and principles in their work, and State and non-state actors participate in development policy, notably in the area of governance. Outcome indicator: Improved effectiveness of the National Human Rights Commission for monitoring and evaluating the implementation of the National Human Rights Action Plan. Related strategic plan focus areas: Democratic Governance.</p>					
<p>The Ministry of Foreign Affairs will lead Government's efforts in ensuring national stakeholders' participation in promoting human rights through the work of the Humanitarian Affairs Committee.</p>	<p>The European Union will financially and technically support the mainstreaming of human rights through the development of a National Plan of Action for Human Rights by the National Human Rights Commission.</p>	<p>UNDP will actively engage the Ministry of Foreign Affairs and other institutions in advocating for human rights and gender mainstreaming, and in developing skills for consultation and reporting.</p>	<p>Indicators: Periodicity of the production of national human rights reports as per treaty obligations. Baseline: No report produced currently. Target: One report produced annually as of 2011.</p>	<p>A comprehensive, domestically produced report on the status of implementation of the human rights treaties to which Seychelles is a signatory is produced and validated by stakeholders.</p>	<p>Other Resources: 500,000 (European Union, third-party cost-sharing)</p>