



SEYCHELLES CAADP COMPACT

TO SUPPORT THE SUCCESSFUL IMPLEMENTATION OF THE FOOD SECURITY, TRADE AND DIVERSIFICATION COMPONENT OF THE SEYCHELLES MEDIUM TERM NATIONAL DEVELOPMENT STRATEGY

A. Background of the Implementation of the Comprehensive Africa Agriculture Development (CAADP) in the Seychelles

1. CAADP as an African Owned Agenda and Shared Development Framework

The Comprehensive Africa Agriculture Development Programme (CAADP) was institutionalised by a resolution of the Second Ordinary Session of the Assembly of the Heads of State and Government of the African Union at Maputo (10-12 July 2003), and became known as the Maputo Declaration of 2003. CAADP is an initiative of the African Union's (AU) NEPAD Planning and Coordinating Agency (NPCA). Seychelles and other member States of the African Union are signatories to the Maputo Declaration. The main goal of CAADP is to enhance agriculture led economic growth, eliminate hunger, reduce poverty and food and nutrition insecurities, and enable expansion of exports. As a programme of the African Union, the CAADP Framework emanates from, and is fully owned and led by, African governments. The Common Market for Eastern and Southern Africa (COMESA) has been mandated to co-ordinate and harmonise CAADP implementation both at country level and the regional level. COMESA works in partnership with the NPCA as well as member Governments and other key stakeholders in the region, in reflecting CAADP's broader principles of mutual review and dialogue, accountability and partnership. CAADP takes into consideration the wide differences between member states and works to promote each country's unique development path and assists national governments to identify their own growth potential. Within the context of the Seychelles, the CAADP Framework and its processes will be implemented under the Seychelles Medium Term National Development Strategy (MTNDS) focusing on five (5) broad intervention/investment areas which include: protection and sustainable use of agricultural land and infrastructure; agricultural research, irrigation and extension; sustainable fisheries development; marketing and trade of agricultural produce; and food and nutrition security

2. CAADP as a Value Addition Agenda at the Country Level.

The CAADP Agenda, although continental in scope, enhances national efforts to promote growth in the agricultural sector and thereby, contributing to overall national economic development. Despite the unique economic, geographic and other characteristics of the Seychelles, CAADP promotes harmonised strategic planning and implementation, and encourages partnerships and development assistance through investment promotion at national, regional and international levels. In the Seychelles, the CAADP framework aligns itself to: the Seychelles Medium Term National Development Strategy 2013-2017; the National Food Security Strategy (2008-2011); and the Agricultural Development Strategy 2007-2011. The ultimate goal of the CAADP process in the Seychelles is to support the development and implementation of a coherent and comprehensive agricultural programme covering all of the major agricultural sub-sectors of crops, livestock, marine fisheries and forestry and to support the integration of agriculture into other economic sectors. Although unique in many ways Seychelles has been able to benefit from recommendations based upon Africa's professional communities of practice and broad dialogue with stakeholders across the continent. In aligning with CAADP, countries adopt a common commitment to achieve an annual growth rate of at least 6% in agriculture and, to endeavour to reach an allocation of at least 10% of the national budget to the sector.

B. Rationale for the use of the Seychelles CAADP Compact

Within recent years, agriculture has gained re-newed importance in the development strategy of the Government of Seychelles. Although the sector contributes a mere 3% of GDP (less the exports of processed tuna) the external shocks (of 2007-2008 and 2010-2011) of unprecedented increase in food prices and the onset of a global economic crisis, revealed the need for increased local food production and storage, and renewed efforts in ensuring National Food Security. The Seychelles CAADP Compact sets the necessary parameters for stakeholder co-operation towards sustainable long-term development of the agricultural sector and highlights the commitment of the Government, national stakeholders and development partners to this important agenda. It further outlines the expectations of stakeholders in the context of the development of the agricultural sector. The CAADP Compact will serve as the implementation tool for the MTNDS in as far as it relates to agriculture development and food security.

The Seychelles CAADP Compact aligns itself to the long term vision of the country and to all the major national development policy documents as well as the agricultural sector policy documents. This CAADP Document reflects the inputs of all major stakeholders from Government, the private sector, farmer civil society organizations and development partners.

C. Seychelles Development Agenda

The Seychelles Government's long term vision for economic and social development is highlighted in the Seychelles Medium Term National Development Strategy. 2013-2017. Implementation of the Seychelles CAADP Compact will be reflected under the Food Security, Trade and Diversification component of the overall strategy.

During implementation of the Seychelles macro-economic reform program, a necessity to identify mechanisms for addressing the development requirements of the country and to find and sustain the human resources capacity required to achieve national development goals, became evident. Although the reforms alone provide programs to improve economic performance, they do not offer a longer term strategic framework. The new Medium – Term National Development Strategy (MTNDS) therefore, aims to fill this gap by providing the blueprint for future actions and assisting the Seychellois people in achieving their social, economic, health and educational goals.

The MTNDS provides an overview of a series of comprehensive, coherent, people-centered, human rights and rule of law approaches to sustainable development planning. It takes into account: socio-economic strengths and needs of the country; its obligations and commitment to the implementation of the Memorandum of Economic and Financial Policies (MEFP) 2009-2012; and other realities such as national social, economic, trade, human resource development priorities, and regional and international obligations.

The Seychelles economy has achieved a remarkable turnaround since implementation of an International Monetary Fund (IMF) supported macroeconomic reform program which commenced in November 2008. The country's severe balance of payments and debt crisis have largely been overcome. Strong ownership, commitment and broad public support for the reforms have been key, to the program's success. As a result, the IMF converted Seychelles' two-year stand-by agreement into a three-year extended fund facility (EFF), worth US\$31m, in December 2009. The main objectives of the EFF are to: consolidate macroeconomic stability; complete debt restructuring and achieve external sustainability; and improve economic efficiency and durably raise growth through the implementation of the second generation of structural reforms.

Strong fiscal discipline, including strict spending controls had produced a primary budget surplus of 9.4 % of GDP in 2010. The extra funds have enabled Government to earmark investment in priority areas such as infrastructure, education and health. Indeed, capital expenditures in 2011 include construction of additional primary educational facilities and investment in commercial and tourism-related infrastructure on various reclaimed lands. Moreover, part of the additional revenue will also finance higher than anticipated costs related to the introduction of a new wage grid and scheme of service for public service officers as part of a rationalization process and to enhance the retention capacity of human resources in key sectors.

The overarching goal of fiscal policy aims to put public finances on a sustainable path, while creating the fiscal space to raise public investment and support the targeted social safety net. The authorities continue to exercise a prudent monetary policy. The government remains committed to a floating exchange rate. In line with the debt restructuring exercise, most creditors agreed to grant Seychelles a treatment comparable with that of the Paris club agreement. As a result, Seychelles managed to lower its external debt from 92% of GDP in 2009 to around 45% of GDP in 2010. Total public debt is estimated to be 83% of GDP by end of year 2010 compared to nearly 151% in 2008.

The outlook for 2011 is generally favorable. Debt management has significantly improved and made much more sustainable. With the successful debt restructuring exercise, Fitch raised Seychelles credit ratings from B- in 2010 to B in early 2011.

The Seychelles Government and key stakeholders have identified five main priority areas for national development all of which reduce Seychelles vulnerability to external shocks, build resilience of the national economy and provide the basis for long term sustainable development. They are as follows:

- a) Climate Change, Renewable Energy and Water
- b) Human Resource Development
- c) Economic Infrastructure, including Transport and ICT
- d) Food Security, Trade and Diversification
- e) Development of National Statistics

At sector level, the MTNDS outlines the objectives and strategies for achieving national food security through further development of the crop and livestock sub-sectors and the fisheries sector. The objectives are as follows:

Some of the more salient development objectives that are to be met are to reduce foreign exchange leakage, enhance farm income, improve livelihoods and create national wealth for investment in other sectors, increase national GDP contribution of the sector, optimize the use of national scarce economic factors of production such as land, labor, capital, technology, management and improve the national agricultural sector's contribution to employment generation.

Government recognizes the role of research and introduction of modern and innovative methods and technologies to increase agricultural yield with minimal inputs that can adversely affect human health and the environment

Other key development objectives are to increase the state of health of the local population and to optimise the level of local environmental services through the promulgation of good agricultural practices. There are National Agricultural Production Targets for Food Items Consumed locally for the next Five Years: 100% pork, broiler chicken and table eggs; and 80% fruit and vegetables. All of this is to be achieved through local production.

The key development objectives are to promote research and development, to develop sufficient resource management strategies, to improve monitoring and control mechanisms, as well as to develop institutional framework to guide the programmatic actions and to develop key partnerships for funding, sustained growth and development. Additionally, it is important to promote investment, trade and commerce whilst ensuring that the human resources are adequate to undertake all tasks set out.

D. Seychelles Agricultural Development and Food Security Agenda

The Government of Seychelles is committed to ensuring food security in the country and to sustain enhanced economic growth while noting that Food and Nutrition security is defined as *a consistent supply of nutritious, affordable and safe foods*. The Government will therefore work in partnerships with key stakeholders and development partners focusing on constraints and identification of best practices to secure the future of posterity. The Seychelles Government will be the lead implementer

of the Seychelles Medium Term National Development Strategy 2013-2017 with support from national, regional and international partners. Certain specific strategies within the MTNDS are closely aligned to the pillars of CAADP

Furthermore, and in response to the global food crisis of 2007-2008 2008, the Seychelles government, through wide stakeholder consultation formulated the National Food Security Strategy 2008-2011. The review of this document was initiated in October 2010 And the revised Food Security Strategy will cover the period 2012-2015. The Seychelles recognises that food security is a pre-requisite for national socio-economic stability and growth and also highlights priority investment areas in the agricultural sub-sectors of crop and livestock development. The government also recognizes that food imports will continue to provide a substantial portion of foods consumed locally and hence, should not be ignored as a major component in national food and nutrition security until such time as the local agricultural sector develops to reduce the need for some imported foods and that fish provides a substantial portion of the protein component of the seychellois diet and accounts for some 35-40% of the total protein consumed.

Meanwhile the Seychelles CAADP Compact Document reflects 5 key intervention areas as follows:

1. Pillar 1: Protection and Sustainable Use of Agricultural Land and Infrastructure
2. Pillar II: Agricultural Research, Irrigation and Extension
3. Pillar III: Sustainable Fisheries Development.
4. Pillar IV: Marketing and Trade of Agricultural Produce
5. Pillar V: Food and Nutrition Security

E. Forging stakeholder partnerships and commitments

1. Purposes, Principles and Modalities of Partnerships

The Seychelles compact supports partnerships amongst and between all sectors of the Government of Seychelles, the development partners, non-governmental organizations, private sector organisations, civil society, farmers' organisations and groups to promote and support the successful implementation of the Seychelles Medium Term National Development Strategy 2013-2017 main priority area for development of Food Security, Trade and Diversification. The CAADP compact shall be owned by the Government of Seychelles in partnership with other sector players. All partners recognise and acknowledge the importance of harmonisation and alignment as well as the principles of transparency and accountability.

2. Government Commitments under the MTNDS and Partnerships

In November 2008, the country, with the assistance of the IMF, embarked on a series of major macroeconomic and structural reforms.

A Memorandum of Economic and Financial Policies (MEFP) 2009-2012, which addressed public debt restructuring, have been produced. The aims are to secure macroeconomic stability, raise growth performance and to guide the country's macroeconomic policies over the next three years.

The Government of Seychelles is committed to sustained growth and development in the agricultural sector in order to achieve a higher degree of Food and Nutrition Security. The CAADP framework is thus useful in presenting the Government's objectives for socio-economic development through its major policy document, the MTNDS. The Government of Seychelles commits to increase the budget allocation to the agricultural sector towards the 10% recommended by CAADP and reflected in the Maputo Declaration and to aim for 6% annual growth in the agricultural sector.

3. Development Partners Commitments under the MTNDS agenda for the agricultural sector

Co-operating partners confirm their commitment to the Seychelles MTNDS that will allow Seychelles to have a better degree of food and nutrition security. They collectively commit to align assistance to the sector for the programmes and priorities identified under the CAADP Compact and to scale up assistance over the next five years to help meet investment costs of the programmes identified under the agenda.

In the spirit of The National Reform and Restructuring Programme, development partners commit to provide such aid and related technical assistance in line with the modalities and principles of the economic reform programme, including the principles and mechanisms for dialogue, coordination, mutual review and accountability.

4. African Union, NEPAD and Regional Economic Communities (REC's) Commitments

The African Union, COMESA and its regional partners committed through the Maputo Declaration, to support Seychelles in its endeavour to define priority programmes that will allow the country to meet its national objectives. In this regard, the African Union, COMESA, SADC, Indian Ocean Commission and other regional partners will support Seychelles National Agriculture strategies as defined in the MTNDS and the FSS through mobilising political, financial and technical support for their implementation.

5. Commitments of the private sector and civil society

The development of the agriculture sector ultimately rests on the initiatives and investments of the farmers, their organisations and the private sector. It is imperative that appropriate partnerships are established between the private sector, civil society and government in order to realise the goals and objectives of the FSS and the MTNDS. The private sector and civil society therefore commit themselves to effectively partner with the government and people of Seychelles in establishing opportunities, enterprises and initiatives that will have substantial and measurable impact in increasing profits, creating employment, making food products *more affordable* and increasing the *diversity* of local foodstuffs, providing adequate infrastructure, increasing local production, establishing efficient water management systems and increasing overall economic growth.

The private sector and civil society commit to actively engage with Seychelles Agricultural Agency and the Department of Natural Resources and other stakeholders to dialogue, review and inform government in shaping policy that is realistic and achievable. They further commit to playing their

role as civil society organisations to ensure that the public sector is accountable and delivers effective and results-driven programmes.

F. Implementation of the MTNDS

1. Co-ordination, monitoring and evaluation

Implementation of the Food Security, Trade and Diversification component of the MTNDS requires a multi-sectoral approach. The national CAADP Country Team already has the mandate to implement the CAADP process in Seychelles. Other co-coordinating/consultative or advisory committees and groups will be put in place to ensure efficient and effective implementation of the programme. The Department of Natural Resources and Investment in the Ministry of Natural Resources, Investment and Industry will be overall responsible for the implementation of the programmes.

2. Funding Mobilisation

Government of Seychelles and development partners agree on the need for harmonisation of investment in the agricultural sector. The government through the sector's annual recurrent budget will continue to support the on-going programmes in the sector while development and bilateral partners provide financial, technical and other assistance in finalising a fully costed investment plan for the agricultural sector. The government of Seychelles recognises the importance of working with development partners in completing and implementing the investment framework/plan and mobilising the funds for its implementation whether through bi-lateral projects, budget support or other mechanisms with a view towards attracting private sector investments.

3. Implementation Capacity

The Government of Seychelles will endeavour to strengthen the capacities of the Department of Natural Resources and its subordinate agencies such as the Seychelles Agricultural Agency, and other key stakeholders for effective programme implementation. The development partners commit to working in partnership with Government of Seychelles to provide technical assistance where necessary for effective programme implementation.

4. Post-Compact Actions

Following the signature of this National CAADP Compact, the Seychelles Government, key stakeholders and partners will embark on the following:

- (i) Finalisation of the MTNDS
- (ii) Establishment of an inclusive CAADP National Technical Working Group/Country Team to facilitate the design of the Seychelles National Agriculture Investment Plan (NAIP) in line with the overall objectives of the MTNDS and the country's long term vision by October 2011

- (iii) Engagement with NPCA, COMESA and other partners to access technical support for the design of the investment plan
- (iv) Identification and collective endorsement of a methodology to support the design of the investment plan by end of 2011
- (v) Finalisation of the Seychelles National Agriculture Investment Plan by mid-2012
- (vi) Consent to an Independent Technical Review of the NAIP to be facilitated by NPCA and COMESA by 3rd quarter 2012
- (vii) Hosting of the Seychelles Post Compact High-Level Business Meeting for resource mobilization by 4th quarter 2012

G. Endorsement

By endorsing this compact:

- 1) The Government of Seychelles pledges to fulfill the commitments specified therein, in line with the goals, objectives, principles and modalities laid out in the Seychelles Medium Term National Development Strategy as pertains to the priority area on Food Security, Trade and Diversification.
- 2) The development partners pledge collectively to fulfill the commitments specified therein.
- 3) African Union, COMESA and other regional partners pledge collectively to fulfill commitments specified therein in line with the Maputo Declaration and the global principles of CAADP implementation.
- 4) The private sector, producer associations and civil society pledge collectively to fulfill commitments specified therein in line with the Maputo Declaration and the global principles of CAADP implementation.

F. Signatures of Stakeholder Representatives

At Victoria Mahe, September 16th 2011

1. On behalf of the Government of Seychelles

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Hon. Danny Faure Vice President & Minister of Finance and Trade

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Hon. Peter Sinon, Minister for Natural Resources, Investment and Industry

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Hon. Jean-Paul Adam Minister of Foreign Affairs

2. On behalf of the Development Partners

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Mr. Alejandro Anganuzzi IOTC/FAO

3. On behalf of African Union/ NEPAD Planning & Coordinating Agency

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Mr. Ousmane Djibo,

4. On behalf of COMESA

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H.E. Mr. Sindiso Ngwenya, Secretary General

6. On behalf of the Producer Associations

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Mr. Serge Benstrong Seychelles Farmers Association

7. On behalf of the Private Sector

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Dr. V. Ramadoss Seychelles Chamber of Commerce & Industry

8. On behalf of the Civil Society

.....

Mr. Bernard Elizabeth (Liaison Unit of Non-Government Organizations of Seychelles)

9. Witnesses

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Mr. ...Michael Nalletamby Chairperson of CAADP Implementation Committee