

Performance audit evaluation of the implementation of the sectoral support provided for the years 2018 and 2019 under the 2014-2020 protocol of the EU/Seychelles Fisheries Partnership Agreement



December 2020



Valsen Consulting

Address: Room B8, First Floor, Orion Mall, Palm Street, Victoria

Mailing address: PO Box 136, Victoria, Mahe, Seychelles

Email: djas@seychelles.net; -+ or daniella@valsen-corporate.com

Tel: 00 248 4321018; **Mobile:** 00 248 2619960

26 December 2020

Mr Nichol Elizabeth
Chief Executive Officer
Seychelles Fishing Authority

Dear Mr Elizabeth

Valsen Consulting has performed a performance audit evaluation of the implementation of the sectoral support for the 2018 and 2019 instalments provided under the 2014-2020 Protocol of the EU/Seychelles Fisheries Partnership Agreement. The purpose of this report is to communicate the results of the audit observations and applicable recommendations.

In accordance with the terms of reference, we reviewed available documentation on the Protocol and the agreed records of the Joint Committee Meeting held in 2018, 2019 and 2020 in order to gain an understanding of the activities that were implemented in 2019 and 2020; we then developed a plan of action which was communicated to the SFA. The audit was implemented according to this plan of action.

This report is intended solely for the information and use of the SFA and its board and the EU/Seychelles Joint oversight bodies, and is not intended to be used, and should not be used, by any other parties.

We appreciate the cooperation received from the management and staff of the SFA during the conduct of this performance audit.

Sincerely

Daniella Larue
Managing Director

Acronyms and Abbreviations

CAS	Catch Assessment Survey
CBS	Central Bank of Seychelles
EC	European Community
EPA	European Partnership Agreement
ESA	Enterprise Seychelles Agency
EEZ	Exclusive economic zone
EU	European Union
FADs	Fishing Aggregated Devices
FAO	Food and Agriculture Organisation
FBOA	Fishing Boat Owners Association
FCP	Fisheries Comprehensive Plan 2019
FDf	Fisheries Development Revolving Fund
FMC	Fisheries Monitoring Centre
FPA	Fisheries Partnership Agreement
IDC	Island Development Company
IOC	Indian Ocean Commission
IOTC	Indian Ocean Tuna Commission
IRD	Institut de Recherche et de Développement
MCS	Monitoring, Control and Surveillance section
MSP	Marine Spatial Plan
NPOA	National Plan of Action
NTB	National Tender Board
PFA	Praslin Fishers Association
PFCCC	Praslin Fisheries Co-management Coordination Committee
SBS	Seychelles Bureau of Standards
SCR	Seychelles rupees
SEYPEC	Seychelles Petroleum
SFA	Seychelles Fishing Authority
SIH	Systeme Informatique Haleutique
SMA	Seychelles Maritime Academy
SNPA	Seychelles National Parks Authority
SPDF	Seychelles Peoples Defence Forces
STA	Seychelles Tourism Academy
TIS	Treasury Information System
UNISEY	University of Seychelles
VMS	Vessel Monitoring System

Table of contents

Acronyms and Abbreviations.....	3
Table of contents.....	4
List of tables.....	5
1 Introduction and background	1
2 Scope and methodology	2
2.1 Scope.....	2
2.2 Methodology.....	2
2.2.1 Project and Management documents and information.....	2
2.2.2 Interviews and consultation	3
2.3 Limitations.....	3
3 Findings and Analysis	4
3.1 Budget Execution	4
3.2 Verification of the beneficiaries' accounting systems.....	6
4 Project related deliverables	8
4.1 Development and implementation of Fisheries and aquaculture Management Plans	8
4.1.1 Monitoring of the tuna fishing activities in the Seychelles EEZ.....	8
4.1.2 Monitoring of the Fisheries Development Fund under the Development Bank of Seychelles (DBS)	9
4.1.3 Development and implementation of national fisheries management plans.....	10
4.1.4 Development and implementation of the Aquaculture Management Plan.....	12
4.1.5 Post-harvest development and value addition	13
4.1.6 Monitoring, Control, Surveillance and Enforcement.....	14
4.1.7 MCS office extension.....	16
4.2 Fisheries infrastructure development for artisanal and industrial sectors.....	16
4.3 Capacity building.....	17
4.3.1 Human Resource Development.....	17
4.3.2 Technical Assistance	18
4.3.3 Participation in international and regional forums	19
4.3.4 Contribution for improved facilities and functioning of fisheries related bodies and organisations.....	19
4.4 COVID-19 RESPONSE PROGRAMME.....	21
4.4.1 Ice programme for artisanal fishers	21
4.4.2 Purchase and sale of artisanal fish	21
4.4.3 Monitoring, control and surveillance of artisanal fishers.....	21
4.4.4 Food security programme	23
4.5 Management and strategic issues	24
4.5.1 Programme execution	24
4.5.2 Governance issues.....	24

4.5.3	Planning.....	26
4.5.4	Production of reports.....	27
4.5.5	Rationalisation of the functions of the SFA.....	28
4.5.6	Capacity development.....	28
5	Conclusions and recommendations.....	29
5.1	Conclusions.....	29
5.2	Recommendations.....	30

List of tables

Table 1:	Sectoral funds available to be spent in 2019 and 2020	1
Table 2:	Budget execution for 2018 – 2019 (as at end of July 2020).....	4
Table 3:	Summary of expenditure by priority area for the 2018 and 2019 instalments	6
Table 4:	VMS Monitoring and Compliance 2018 & 2019.....	15
Table 5:	Infrastructure projects implemented with 2018 & 2019 funds	16
Table 6:	Tertiary level training implemented with 2018 & 2019 fund instalments.....	18
Table 7:	Location of ice producing machines as of 1 st December 2020.....	22

1 Introduction and background

The 2014-2020 Protocol of the Fisheries Partnership Agreement between the European Union (EU) and the Republic of Seychelles (the 2014-2020 Protocol) came into effect on the 18th January 2014 and the protocol period under review relates to the 2018 and 2019 sectoral support instalments and spans from December 2018 to July 2020.

At the Joint Committee Meeting of February 2019, held in Brussels, the work programme for 2019 was adopted and it was agreed that the planned actions were to be executed on the basis of the 2018 and 2019 sectoral instalments and that it should incorporate funds and related actions that have not been completed under the 2018 programme. At that meeting, it was also agreed that the 2019 instalment would be disbursed when 75% of the execution of the 2018 instalment is reached, which was estimated to be by July 2019. SFA also committed to using up all the remaining funds by latest 6 months following the expiry of the protocol in January 2020. Table 1 summarizes the funds available for spending from December 2018 to July 2020.

Table 1: Sectoral funds available to be spent in 2019 and 2020

Receipt Inflows	2019		2020	
	€	SCR	€	SCR
Balance brought down	681,418	10,666,781	745527	11,527,115
Instalment	2,500,000 ¹	39,134,500	2500000 ²	38,654,250
Total inflows	3,181,418	49,801,281	3,245,527	50,181,365
Expenditures	2,435,891	38,130,951	2171381	33,573,242
Adjustment in expenditure				
Balance carried forward	745,527	11,670,331	1,074,146	16,608,123

Source: SFA

The balance as at 31st July 2020, end of 2014-2020 protocol and brought forward to the new protocol is EUR 1,019,542.

The major deliverables identified under the priority for the development of fisheries and aquaculture management plans during this period were:

- I. Production of a series of reports including fisheries statistics reports, annual reports, economic performances reports and scientific reports to support fisheries stocks management decisions;
- II. Environmental impact assessments for potential aquaculture sites in the outer islands and developing guidelines for licensing application under existing marine aquaculture regulations;
- III. Financing of fisheries sea and air patrols to deter illegal fishing activities;
- IV. Evaluation and initiation of value addition projects and
- V. Provision of equipment to improve safety at sea.

¹ 2018 instalment received 14.12.18. €: SCR exchange rate 15.6538

² 2019 instalment received 26.12.2019. €: SCR exchange rate 15.4617

For infrastructure development, priority was given to works for the supply of utilities to the tuna fishing quay at Zone 14 and the construction of processing facilities at the Bel Ombre fishing port. Support for artisanal fisheries was through ensuring the maintenance of ice plants and the clearing and demarcation of passes and construction of fish markets in districts.

Capacity building focused on the implementation of SFA's training plan, technical assistance to support the management of the sectoral support programme, supporting the Fisheries Inspection Quality Control Unit (FIQCU), fishermen's groupings and the Seychelles Maritime Academy (SMA).

This report presents the findings following an independent performance audit to evaluate the implementation of the sectoral support implemented during the years 2019 and 2020 under the 2014-2020 Protocol of the EU/Seychelles Fisheries Partnership Agreement.

The report is structured as follows:

- I. Part 2: presents the Scope and Methodology of the audit, including the audit objectives, criteria and the limitations;
- II. Part 3: presents the findings and analysis; and
- III. Part 4: presents the conclusions and recommendations.

2 Scope and methodology

2.1 Scope

At the Joint Committee Meeting of March 2014, it was recommended that a performance audit be carried out annually to assess and provide guidance for the utilization of the sectoral support throughout the period of the 2014-2020 Protocol. The terms of reference for the conduct of this audit features in appendix A. This audit focuses on the effectiveness in the implementation of the planned activities with the 2018 and 2019 allocations of the EU Sectoral support which relates to activities implemented from January 2019 to July 2020.

Given that the performance audit for the entire protocol from 2014 to 2020 was being conducted at the same time, this report focuses on the efficiency and effectiveness in implementing activities in 2019 and 2020 using the 2018 and 2019 instalments and the issues that affected efficiency and effectiveness of implementation during that period. Broader issues relating to impact of the activities are addressed in the 2014-2020 report.

2.2 Methodology

In undertaking this audit, the consultants used the following methods and techniques:

2.2.1 Project and Management documents and information

1. We reviewed the Protocol detailing the funds available to the SFA under the 2014-2020 Protocol of the Fisheries Partnership Agreement between the EU and the Republic of Seychelles, the agreed records of the Joint Committee Meetings for 2018 and 2019, project related documents and SFA annual reports in order to understand the activities and what had been done.

2. We reviewed the various planning documents such as the Seychelles Fisheries Sector Policy & Strategy 2019 (SFSPS 2019), the SFA strategic Plan 2018-2020 (SSP 2018) and the Fisheries Comprehensive Plan 2019 (FCP 2019).
3. We reviewed some of the verification sources such as the SFA 2015/2016 Annual Report, the SFA financial audit reports for 2014, 2015 and 2016, minutes of board meetings and annual reports produced from the Technical Assistance.

2.2.2 Interviews and consultation

4. Our team met with a range of stakeholders, governmental and non-governmental, with whom we conducted semi-structured interviews. The list of persons consulted appears in Appendix B.
5. We met with the Mr Cyril Bonnelame, the board chairman who was coming to the end of a short stint as Executive Chairman from March 2020 to September 2020 and Nichol Elizabeth, the Chief Executive Officer who had been appointed in September 2020. We also met with all SFA staff implementing project(s) funded by the EU funds as well as support staff in Procurement, accounts, etc.
6. We reviewed the board minutes for 2018 and 2019 to understand the extent of the board's role in overseeing the general operations of the SFA, and in particular projects funded with EU support.

2.3 Limitations

7. The financial statements for 2018 and 2019 had not been audited therefore the section dealing with the budget execution is subject to the accounts being audited. We were able to examine accounting records for 2019 only as the records for previous years were mostly paper based and had been stored offsite because of a fungus infestation and it was not deemed safe to access these at the time of undertaking this audit.
8. Despite there being activity reports for the instalments from 2016 onwards, records showing clearly dates when projects started and end dates were not available. At the time of finalising this report, we could not have sight of completed project files for the capital projects of progress, start dates, completion dates and costs.
9. The matrix for the sectoral support includes mostly output indicators and we were not able to identify clear impact indicators for the implementation of projects using the sectoral funds. Therefore, impact evaluation is mostly qualitative and reflect the views of beneficiaries who may not be fully conversant with the intended impact in most cases, as well as observations made on site by project evaluators during field visits.

3 Findings and Analysis

3.1 Budget Execution

The funds for 2018 were released after the Joint Committee Meeting (JCM) of 28 February 2019 and SFA would have had to utilize 75% of the agreed budget before the EU would agree to disburse the 2019 budget allocation. The 2018 installment was received on 14th December 2018 and the 2019 installment was received on 26th December 2019.

Table 2: Budget execution for 2018 – 2019 (as at end of July 2020)

Planned Activities	2018 instalment (EUR)			2019 instalment (EUR)		
	Revised Budget	Expenses	% Execution	Revised Budget	Expenses	% Execution
1. DEVELOPMENT & IMPLEMENTATION OF FISHERIES & AQUACULTURE MGMT PLANS						
1.1 Monitoring of the Tuna fishing activities in the EEZ of Seychelles						
1.1.1 Data collection, processing and dissemination	110,720	42,072	38%	126,364	75,576	60%
1.2 Monitoring of the Fisheries Development Fund under the Development Bank of Seychelles (DBS)	-	-		-	-	
1.2.1 Loan schemes provided for local fisheries investors involved in semi-industrial fishing, processing & value addition	44,937	44,902	100%	14,781	14,311	97%
1.3 Development and implementation of National Fisheries Management Plans	-	-		-	-	
1.3.1 Implementation and Adjustment of the management plans in collaboration with stakeholders & Experts	14,721	12,888	86%	38,851	6,510	17%
1.3.2 Scientific surveys, applied research and observer programme	285,997	246,639	87%	122,286	150,630	123%
1.4 Development and Implementation of the Aquaculture Management Plan	-	-		-	-	
1.4.1 Development and Implementation of the aquaculture master plan	183,542	93,961	56%	109,288	100,552	92%
1.4.2 Implementation of the Aquaculture Master Plan	130,810	82,910	63%	60,137	69,590	116%
1.5 Post harvest development and value addition	-	-		-	-	
1.5.1 Applied research and advice to support local Private sector processing initiatives	68,440	61,471	90%	27,060	27,050	100%
1.6 Monitoring, Control, Surveillance & Enforcement	-	-		-	-	
1.6.1 Air and Sea Patrols	347,134	215,746	62%	342,338	252,652	74%
1.6.2 VMS Monitoring and compliance	278,926	215,056	77%	149,162	151,374	101%
1.6.3 Safety at Sea - communication system	-	-		103,482	112,041	108%
1.6.4 MCS Office extension	176,492	176,406	100%	14,387	14,387	100%
GRAND TOTAL - PRIORITY 1	1,641,719	1,192,051	73%	1,108,136	974,674	88%
2. FISHERIES INFRASTRUCTURE DEVELOPMENT FOR ARTISANAL AND INDUSTRIAL SECTORS	-	-		-	-	
2.1 Fish processing & Increased value addition of fish products landed in Seychelles	-	-		-	-	
2.1.1 Artisanal Infrastructure Projects / Bel Ombre	130,485	57,020	44%	229,600	170,269	74%
2.1.2 Artisanal Infrastructure Projects / Providence Zone 6	448,712	427,640	95%	21,333	16,007	75%
2.1.3 Support Fishing Communities in Districts	280,455	143,992	51%	679,205	599,069	88%
2.1.4 Ice plants construction/maintenance	110,897	99,003	89%	106,468	99,984	94%

Planned Activities	2018 instalment (EUR)			2019 instalment (EUR)		
	Revised Budget	Expenses	% Execution	Revised Budget	Expenses	% Execution
2.2 Maintain Port Victoria as the Major Tuna landing / transshipment port in the Western Indian Ocean	-	-		-	-	
2.2.1 Tuna Purse seine infrastructure	-	-		-	-	
GRAND TOTAL - PRIORITY 2	970,548	727,655	75%	1,036,606	885,330	85%
3. CAPACITY BUILDING				-	-	
3.1 Human resource development				-	-	
3.1.1 Implementation of SFA Training Plan	230,386	226,602	98%	121,712	100,309	82%
3.2 Technical Assistance	-	-		-	-	
3.2.1 Management of sectoral support Programme	45,869	35,579	78%	27,286	33,197	122%
3.3 Participation in international and regional forums	-	-		-	-	
3.3.1 Participation to and hosting international meetings and forums	246,995	211,678	86%	52,886	52,386	99%
3.4 Contribution for Improved Facilities and functioning to fisheries related bodies and organizations	-	-		-	-	
3.4.1 Equipment/Training to support the Fish Sanitary inspection Unit (Seychelles Bureau of Standards)	8,232	6,334	77%	7,096	7,723	109%
3.4.2 Support to the small-scale fishermen Association	16,461	14,783	90%	8,166	10,035	123%
3.4.3 Ancillary Training Support	21,209	21,209	100%	1,614	1,210	75%
GRAND TOTAL - PRIORITY 3	569,152	516,185	91%	218,762	204,860	94%
4. COVID-19 RESPONSE PROGRAMME				-	-	
4.1 Ice Programme for Artisanal Fishers				161,940	-	0%
4.2 Purchase and Sale of Artisanal Fish				77,611	-	0%
4.3 Monitoring, Control and Surveillance of Artisanal Fishers				161,690	161,121	100%
4.4 Food Security Programme				517,408	-	0%
GRAND TOTAL PRIORITY - 4				918,649	161,121	18%

Source: SFA, 2020. Notes: *calculated as the actual spending divided by the budgeted amount expressed as a percentage; - is assigned for budget lines where nothing is budgeted for the period,

10. At the time of undertaking this performance audit, SFA's 2017, 2018 and 2019 financial statements had not been audited. Our findings in this section do not constitute an opinion on the accounts relating to the sectoral funds but rather our findings on the records that were available to us.
11. We obtained treasury disbursement statements from the Central Bank of Seychelles (CBS). The data received contained a comprehensive list of all approved budget disbursements under the EU Sectoral support. We then cross checked the disbursement with the budget execution records of kept by the Technical Assistance office. In addition, we further tested this with the SFA accounting system. Budget utilization was derived from the division of actual spending by budgeted amount. In the absence of project-based accounting, it was difficult to assess when the 75% budget execution threshold was reached. This in our view, needs to improve.
12. The 2018 and 2019 instalments represented Euro 5,681,418 to be spent from December 2018 to July 2020. In 2019 and 2020, the SFA spent €4,661,876 representing SCR 72,667,380 under EU Sectoral support making an average budget utilisation over this period of 72.5%.
13. Overall, the efficiency with which the sectoral funds have been used, seems to have improved as 72.5% of 2 years' instalments was utilised over 18 months. The restrictions imposed in the country

because of the COVID-19 situation slowed down programme implementation in 2020, however, the speed at which resources could be diverted to address more urgent policy issues related to the cessation of artisanal fishery activities, underscores the efficiency of the use of the funds over this period. The improvement in efficiency is even more remarkable given that in 2016, the SFA was still playing catch up where spending of the funds was concerned.

14. Table 2 details the revised budget for each budget line that we were able to verify from available records. It indicates that a 68% (Euro 2,225,985 =SCR 34,417,514) of the total budgeted amount was utilized for the year 2019. As for the year 2018, 77% (Euro 2,435,891 =SCR 38,130,952) of the budgeted funds was utilized. The total expenditure for the year 2019 amounting to Euro 2,225,985 does not correspond with the given figure in the revised work programme for 2019 instalment due to a technical accounting error of omission. The amount given in the report was EUR 2,171,381 making a difference of EUR 54,604.

Table 3: Summary of expenditure by priority area for the 2018 and 2019 instalments

Priority Area	2018 instalment (EUR)				2019 instalment (EUR)			
	budget	Expenditure	% of total expenditure	% budget execution	budget	Expenditure	% of total expenditure	% budget execution
Priority -1	1,641,719	1,192,051	49%	73%	1,108,136	974,674	34%	88%
Priority -2	970,548	727,655	30%	100%	1,036,606	885,330	32%	85%
Priority -3	569,152	516,185	21%	91%	218,762	204,860	7%	94%
Priority -4	-	-	0%	-	918,649	161,121	28%	18%
Total	3,181,419	2,435,892	100%	77%	3,282,152	2,225,985	100%	68%

Source: SFA

15. The budget for 2019 indicates that 34% (2018:49%) of the funds were allocated to Development and implementation of Fisheries and Aquaculture Management; 32% (2018: 30%) of the funds were allocated to Fisheries infrastructure and 7% (2018:21%) to capacity building related activities.
16. In response to the COVID-19 crisis, EU agreed to allocate 28% of the 2019 fund allocation, representing (EUR 161,121=SCR 14,203,872) of the total budget to provide additional support for the temporary cessation of fishing activities and storage of fishery and aquaculture products.
17. In July 2020, the EU also agreed that the unspent funds from the 2014-2020 protocol amounting to EUR 1.0M, be carried forward to the new protocol starting in February 2020. The Technical Assistant (TA) reports that the unspent funds relate mostly to those funds reallocated to support the COVID-19 response in the fisheries sector.

3.2 Verification of the beneficiaries' accounting systems

18. Budget utilisation is the trigger for unblocking annual allocation of funds and it is important that SFA's accounting system is able to capture all the funds available and its use, accurately. We examined:
- IV. whether the internal accounting (analytical or other suitable internal system) and procedures permits direct reconciliation of the costs and revenues declared under the project;
 - V. whether the actual expenditure/income under each output has been recorded systematically using a numbering system specific to each output;
 - VI. whether when costs are shared between several outputs, the appropriate allocation keys have been established that reflect the true burden for each output;

- VII. whether such allocation keys have been applied systematically and correctly.
- VIII. We noted that EU funds are solely used for its activities defined under three priorities areas. It is independent of the Government and other available grants to SFA.
19. Expenses are tracked by the TA on an Excel worksheet and she undertakes reconciliation with monthly statements from CBS but she reports not having the time to devote to this because it is not being done in an accounting software. Accounting information for 2019 only is available in the finance section as the TA continues to do the financial management of the funds. An accounting software QuickBooks, was purchased and information started to be recorded in 2017; 2 training sessions took place but was then stopped because there was a change in financial controller and because as part of the preparations for autonomy, a whole organisation approach was being looked at to accommodate both Government and sectoral support funds. SFA did not have a financial controller for 6 months in 2018 and in 2019 when a Financial Controller was recruited, he prioritised a system for the Government funds.
20. As the EU agreement clearly defined priority areas and further breakdown multiple projects, project-based accounting is recommended. For the year 2019 onwards, accounting information relating to the fund was captured in QuickBooks accounting system and there is a remarkable improvement in the quality of accounting records over previous years where only a ledger was prepared as reflecting expenses. This has led to mistakes in the past. There is scope for further improvements. The Financial Controller indicated that the new software will suit the needs for project finance and management will be able to extract more accurate reports.
21. Another area that needs attention is records relating to capital projects. Despite requesting these, by the time this audit was being completed, we could not have sight of completed files for the capital projects which shows project start dates, drawings, contracts, invoices raised and paid, contracts for professional services, project management minutes, completion certificates along with information on final project costs for capitalisation. In our view, the records in relation to the implementation of capital projects are inadequate. These files we expect to see in the procurement section to ensure that procurement decisions are backed by agreed contracts.
22. Further, we did not see any evidence that any finance staff reviewed the accounts related to the budget execution of the EU support funds and therefore whatever figures are quoted or put out by the Technical Assistance is accepted. In our view, stronger measures are required to monitor the efficient use of the funds and all budget reports should come from the accounting system and provided by the Finance Section to the TA and then on to other parties.

4 Project related deliverables

We present below details of the activities implemented under each objective for the 2018 and 2019 instalments and recommendations to improve effectiveness of implementation where applicable.

4.1 Development and implementation of Fisheries and aquaculture Management Plans

4.1.1 Monitoring of the tuna fishing activities in the Seychelles EEZ

4.1.1.1 Data collection, processing and dissemination

Activity 1.1.1	Data collection, processing, dissemination, publications and subscription to scientific reviews
Targets	<ul style="list-style-type: none"> • 2 Semestrial Fisheries Statistics Reports for 2018 and 2019 • New software (SIH & Equipment in 2017)
Activity's effectiveness	
<p>Semestrial Fisheries Statistics Reports</p> <p>The target of producing the 2018 and 2019 fisheries statistics reports has not been met and the activity has been plagued by delays. In 2018, SFA published the 2017 and semester 1 of the 2018 data. No reports were published in 2019 because of the backlog in data capture caused by various challenges detailed below. For 2020, the team is finalizing data capture for 2019 and are catching up on the data for the first semester of 2020. The plan was to publish the second semester 2018 and the 2019 data, but in view of the delays, the plan is to publish a 10-year report covering the period 2010 to 2019 in December 2020.</p> <p>It is to be pointed out that data for purse seine, semi-industrial longline and industrial fisheries is available but data for artisanal fishery is not available so the reports could not be published with only partial data and this is why the report has not been published, but the tables for the other fisheries are available.</p> <p>New software</p> <p>In July 2019, SFA signed an agreement with Environmental Information System (EIS) to initiate the development of a remote access SIH which could be deployed on tablets for technicians to capture data onsite. The SIH remote project has developed a web-based version of the Allegro database, to allow technicians to capture data on-site and remove the need to capture data twice. This will improve the timeliness of the data capture and reduce data entry errors. The software has been developed and SFA is in the process of purchasing the heavy-duty tablets for installation and training scheduled for December 2020 but will be very likely delayed because the consultant cannot travel to Seychelles because of the COVID-19 situation. Online training is being organised.</p>	
<p>Obstacles to implementation</p> <p>There were several reasons why this activity could not be implemented on time.</p> <ol style="list-style-type: none"> 1. The statistics office was infested with fungus and it took time to relocate the staff and it also took time to organize for staff to work from home (home internet access was only available end August 2020!); Once the staff was set up and could work from home, they have been very productive and have been able to reduce the data capture backlog considerably. 2. The statistics server came under virus attack resulting in data loss. Data had to be re-entered. 3. In early 2020, the lock-down because of COVID-19 situation created additional delays in data entry; 4. The main reason for the delayed reports was unavailability of artisanal fisheries data resulting from technical problems with using the Software Système d'Informations Halieutique (SIH) as a result of continuous power failures in the server room. This problem has now been sorted but there have been delays in data capture. The data capture system for artisanal fishery was changed and the staff encountered technical issues when they started implementation of the new software. 	

SFA collects data for four types of fishery: industrial long line, purse seine fishery, semi-industrial long line and artisanal fishery. Data for purse seine and semi-industrial longline fisheries is available but data for the other 2 types of fishery were not available so the reports could not be published with only partial data.

Going forward

The statistic section has digitised all its historical data which were in paper format. Three projects have already initiated since 2019 and is ongoing to developed Electronic reporting system for the artisanal, semi-industrial, industrial longline and purse seine fishery to reduce data capture and improve timeliness and reliability of its data collection system. All these projects are in the testing or installation phase and will be implemented in 2021.

4.1.2 Monitoring of the Fisheries Development Fund under the Development Bank of Seychelles (DBS)

4.1.2.1 1.2.1 Loan schemes provided for local fisheries investors involved in semi-industrial fishing, fish processing and value addition

The main aim of the fund is to assist fishers in particular those in the semi-industrial fishing sector and value addition and processing to purchase boats and equipment for their operations. It is managed by DBS.

Activity 1.2.1	Loan schemes provided for local fisheries investors involved in semi industrial fishing, processing & value addition
Deliverable(s)/ Targets	<ul style="list-style-type: none"> • Semestrial economic performances report • Number of loans allocated
Activity's effectiveness	
<p>There was €150,000 available to be loaned out. SFA approved 3 loans during that period: 2 for fish processing and one for operating a fishing vessel. By December 2018, SCR46,598,781 worth of loans had been disbursed and the repayment was SCR6,498,156. By December 2019, there were 13 active loans remaining amounting to SCR46.2M disbursed and SCR47.2M worth of unpaid loans. By July 2020, out of the 13 loans on the books, 11 or 77% were in arrears.</p> <p>No economic reports were produced over this period.</p>	
Obstacles to implementation	
<p>The main obstacle to implementation is that loan recovery is very low standing at only 1% of the total sum loaned out since 2013. A decision to stop issuing loans for purchase of boats for semi-industrial fishery and to focus on value-addition projects was made in 2017.</p> <p>The DBS wants to proceed with their normal procedures to recover the loans but this has been hindered by policy directives from government agencies in relation to giving longer grace periods or not pursue certain promoters. DBS would like to proceed with calling in the amounts outstanding but it is believed that repossessing the vessels will not solve the problem of recovering the loaned amounts as most were refitted used vessels that have very little value. SFA has since stopped recommending loans for purchase of fishing vessels and instead concentrated on post-harvest development and value addition activities and for vessel upgrading including buying of engines.</p> <p>Two other reasons for the non-functioning of the fund is the narrow scope of activities that it targets and a cap of SCR3M loan amount also restricts the types and size of projects that can be targeted. These conditions were set before the advent of the Blue Investment Fund which provides for loans up to USD 3million at 4% interest.</p> <p>A more thorough discussion of issues related to this deliverable is available in the 2014-2020 protocol report.</p>	

1.2.3 Fishermen's Insurance scheme

The Chief Economist reports that there has been a decline in the number of boat owners making use of the scheme: it has gone down from 50 to 33 in 2020. It is felt that the premium to cover the vessel and its crew, which represents 4% of the capital cost of the vessel, is perceived to be expensive by boat owners who prefer to take out hull insurance only, which works out slightly cheaper than their 50% contribution under the scheme. However, the staff is of the view that the uptake might increase in 2021 when the requirement for all licensed fishing vessels to be insured, will be enforced.

1.2.3 Semestrial and economic performance report

No human resources have been available to undertake this activity. The impact of not undertaking this activity will be discussed in the 2014-2020 protocol report.

4.1.3 Development and implementation of national fisheries management plans

4.1.3.1 Implementation and adjustment of the management plans in collaboration with stakeholders and experts

Activity 1.3.1	Implementation and Adjustment of the management plans in collaboration with stakeholders & Experts
Deliverable(s)/ Targets	<ul style="list-style-type: none"> 3 scientific advice or scientific reports in 2018 & 2019
Activity's effectiveness	
<p>The three management plans worked on over this period includes:</p> <ol style="list-style-type: none"> 1. The Demersal Fisheries Management Plan relating to the Mahe Plateau, which took some time to develop but was finally endorsed by the cabinet in November 2019, after which it has been sent to the Office of the Attorney General to be gazetted as regulations. 2. The Shark National Plan of Action –In June 2019, a Project Coordinator was recruited to coordinate the efforts of all stakeholders through the NPOA Steering Committee. 3. Applied research to continuously update the management of the different fishery based on scientific evidence. Independent surveys were conducted on the sea cucumber and lobster stock and informed whether the lobster and sea cucumber seasons will open each year. 	
Constraints	
<p>The development of fisheries management plan is one that takes time, years to develop as there is a lot of consultation with key stakeholders such as fishers and environmental conservationists, the going back and forth and ensuring that their views are all taken into consideration and included in the plan is time consuming.</p> <p>The process, though started on time, did face obstacles which caused delays. The process for preparing and enacting the legislation took time because the Attorney General's office has many other priorities. The back and forth with the ministry for their views and endorsement also took time and so the legal framework development and the stakeholders' consultation took a lot of time, especially the latter. This was because it is the first time that a management plan for demersal (and semi-pelagic) stocks has been developed. The management plan contained fisheries management measures such as bag limits and minimum size for certain species and included extensive stakeholders' consultations. The issue with fishers is that very few of them turn up for meetings and there is disagreement in what was agreed from one meeting to another. The need to reflect all concerns of fishermen slows down the consultation process.</p>	

4.1.3.2 Scientific Surveys, applied research and observer programme

Scientific surveys and applied research

Below is the summary of the status of research funded with sectoral funds in 2018 and 2019.

Objective(s):	To generate scientific information in order to update fisheries management measures
Deliverables	Number of scientific advice or scientific reports
<p>Status of Implementation:</p> <p>A list of scientific reports available are listed below:</p> <p>Lobster Survey Report, Nov 2019, SFA Research Section</p> <p>Report of a fisheries independent survey carried out to assess the effectiveness of the closure of the lobster fishery around Mahe for 2 consecutive seasons (2017-2018 and 2018-2019). It is part of the Participatory Lobster Monitoring Programme (PLMP).</p> <p>Otoliths processing, analysis and training Report, March 2020, Centre for Environment, Fisheries and Aquaculture Science, Cefas</p> <p>This report outlines the methods and techniques appropriate for processing otoliths for the following species from Seychelles waters: Red emperor snapper (<i>Lutjanus sebae</i>), Green job (<i>Aprion virescens</i>), Yellowspotted trevally (<i>Carangoides fulvoguttatus</i>), Bludger (<i>Carangoides gymnostethus</i>) and Shoemaker spinefoot rabbitfish (<i>Siganus sutor</i>). Age determination of fish stocks plays an extremely important role in fisheries management and assessment.</p> <p>Assessing the Abundance and Density of Sea Urchin on the Mahe Plateau, July 2017, SFA</p> <p>The aim of this research is to establish baseline of the spatial distribution, abundance, diversity, density of the seven major sea urchin species on the Mahe plateau. The objective of the first research cruise was to validate and review the research methodology designed for the study.</p> <p>Support for adaptive co-management of sea cucumbers in the Seychelles (SEACUSEY), Leopold M et al, Scientific Conference</p> <p>Providing ecological knowledge and data gathering solutions to improve assessments and management of sea cucumber fishery in order to improve the sustainability of the sea cucumber resources through adaptive co-management.</p> <p>Size at sexual maturity of the flower teatfish <i>Holothuria (Microthele sp.)</i> in the Seychelles, Salomé Cahuzac et al, SPC Beche-de-mer Information Bulletin #39 – March 2019</p> <p>The flower teatfish <i>Holothuria (Microthele sp.)</i> (locally called pentard) is one of the main target species for sea cucumber harvesting in the Seychelles, representing about two-thirds of annual sea cucumber catches. The biology of this species is largely unknown. To inform fishery management, the reproductive biology of the species was studied on the Mahé Plateau and the Amirantes Plateau during the 2018 northwest monsoon season. The research recommends a minimal harvest size of 31 cm for this species as a conservative measure in the Seychelles.</p> <p>Nutrients and contaminants in Seychelles fisheries resources (SEYFISH), Progress report of the study period May 2018 – May 2019, Sabino, Bustamante & Bodin</p> <p>The main objectives of the SEYFISH project were (i) to quantify the nutritional value of commercially exploited marine species in order to evaluate their contribution in meeting Seychellois nutritional needs, and (ii) to monitor exposure of Seychellois to toxic non-essential elements via seafood consumption. This progress report presents the nutrient and contaminant results obtained during the first year of the project (May 2018 – May 2019).</p> <p>Regime shifts shorten food chains for mesopredators with potential sublethal effects, Tessa Hempson et al, Functional Ecology, Nov 2017</p> <p>In coral reef ecosystems, regime shifts from coral- to algae-dominated states caused by coral bleaching significantly alter the assemblage of small-bodied reef fish associated with a reef. This study found that the total diversity, abundance and biomass of piscivorous mesopredators was lower on regime-shifted reefs than recovering reefs, 16 years after the 1998 mass coral bleaching event.</p>	
Obstacles to Implementation:	

Due to constraints, some projects had to go over the expected time. For instance, looking at bourgeois and its stock structure took some time as the data analysis was time consuming. This was completed in 2019 and a scientific article is being drafted which ran into 2020. Furthermore, SFA's UK based partner took time with the analysis which was only completed this year. A training is also being planned locally and it is now expected that the project will only be completed in 2021.

The other project, Seyfish, was studying the nutritional aspects of fish. The project is being implemented in collaboration with international partners that have been tasked with undertaking the analysis. This project is also being delayed. The research trips to collect samples was also a constraint as sometimes more than one trip was needed to collect the required number of samples for the analyses. This also delayed the implementation of the projects.

Implementation of a scientific observer programme

Objective(s):	To provide scientific information on fishing activities inside and outside the Seychelles EEZ that will impact on improving stock assessment and aid decision-making processes.
Deliverable	Scientific observers to cover 5% of National, Industrial Fishing Fleet
Status of Implementation:	
<p>During the referred period, a total of 388 deployments were made: 195 in 2018 and 193 in 2019. These trips were done on board 33 vessels flagged as Korean, Spanish, Seychelles, French, Italian and Mauritian.</p> <p>Trips are done on board Purse Seiners (vessels that do the actual fishing) as well as supply vessels (vessels that deploy Fishing Aggregating Devices- FADs) for the purse seiners. Trips on board purse seiners typically lasts for 30 days and supply vessel trips last for 60 days on average.</p> <p>Seychelles is fully compliant with IOTC resolution 11/04.</p>	
Obstacles to Implementation:	
<p>The capacity to manage the observers especially where performance is concerned, is very limited and this is expected to be addressed in the near future. Maintaining a pool of skilled observers is problematic: observers are not employed and are freelancers and turnover is high. This requires continuous and repeated training of new batches of observers.</p> <p>Validation of data is also a challenge; SFA is planning the implementation of an Electronic Monitoring System (EMS) which will make use of CCTV cameras for the industrial fisheries to complement the work of human observers. Sourcing of suitable equipment for observers is also a challenge as specialized equipment such as calipers, waterproof cameras, robust laptops are not available on the local market.</p>	

4.1.4 Development and implementation of the Aquaculture Management Plan

Deliverable	4. Aquaculture Environment and Social Impact Assessment completed
Status of Implementation:	
<p>With regards to the first deliverable – Aquaculture Environmental and Social Impact Assessment – this was done partly in 2016 and several ESIA's were planned from 2018 to 2019 on the outer islands, but they did not take place because new land use plans for the outer islands are still under development and not yet approved by Cabinet. But some work was done where the outer islands were concerned, SFA reviewed the Outer Island Opportunities report, which started in 2018 and the process was finalized in 2020.</p> <p>In January 2018, the Seychelles National Aquaculture Policy was approved by Cabinet and the Guidelines for licensing, which had been developed earlier, led to the preparation of the Aquaculture Regulations which were approved by Cabinet in October 2020 and is presently awaiting the publication of the commencement notice.</p>	

No aquaculture projects were evaluated as the launch of the aquaculture industry has now been postponed. The aquaculture industry can only be launched officially when the Ministry of Fisheries promulgates the regulations. Until then, the SFA cannot formally accept and evaluate project proposals.

What were the obstacles to implementing this activity over this period?

As SFA gained its autonomy, it was crucial to see how best to spend the limited funds available, thus SFA had to weigh the pros and cons in developing fishing facilities on the three main islands or conducting an environment impact assessment on the outer islands. However, it was pointed out that while the activity was not implemented fully, the ESIA held on the three main islands generated a lot of inputs for other activities undertaken by SFA.

4.1.5 Post-harvest development and value addition

Activity 1.5.1	Applied research and advice to support local private sector processing initiatives
Target	<ul style="list-style-type: none"> Fisheries processing projects evaluated
Activity's effectiveness	
<p>For the 2018 and 2019 instalments, the Post-harvest and Value-Addition Section had met and surpassed all of its targets set for the use of the sectoral funds</p> <ol style="list-style-type: none"> Fourteen (14) fish processing projects were evaluated over this period: 9 in 2018 and 5 in 2019. The Section also contributed to the oversight of the construction of the Bel Ombre Fish Processing facilities. In order to promote lower-value fish species, 14 and 11 recipes were developed in 2018 and 2019 respectively; Educational activities were held especially with schools to promote and raise awareness on post-harvest value-addition. In 2019, the Post-harvest Awareness Campaign was launched which saw the participation of 60 school children. A similar initiative was developed for the SMEs, especially with tuck shop operators at different schools but due to time constraints this has not materialized yet. The section managed to facilitate the access by food processors to schools' tuck shop operators to market their products. This is an achievement in itself because beforehand processed food appeared on a red list produced by the Nutrition Unit of the Department of Health and as such burgers were amongst banned food. SFA had to send fish burger samples overseas to be analyzed and get external experts onboard and finally try to get the Health authorities to amend the policy and allow some processed fish products to be sold in tuck shops. This is a long process, but things are looking positive. In order to maintain a high standard of fish quality and fish products, the section conducted HACCP introductory training and HCCAP Lead Implementer Professional Training for individuals to be able to set up their own HACCP Plans. Due to demand from the industry, the training was offered again in 2019. As part of the response to the COVID-19, the Section developed a range of fish products from the fish bought from fishermen during the lock-down period and held its first Value-Addition Fish Bazar in 2020 on Mahe, which proved very successful. A bazar took place on Praslin on 27 November 2020, which was also very successful. This shows that there is a market for value-added fish products. The Section also undertook nutritional analysis of all its products in a bid to show developers what additional value they can bring in their packaging, as nutritional labelling is not done by any local food producers. They are also looking at the possibility of getting the labels produced locally. In addition, this will assist to promote fish consumption amongst consumers especially post COVID-period where individuals had become more health conscious. Collaboration is expanding with post-secondary institutions and both the Seychelles Tourism Academy (STA) and the SMA have been roped in. The Unit also approached the Entrepreneurship Agency (ESA) to work with micro-enterprises in the cottage industry to expand the range of local snacks to include fish products. 	
Challenges	
<p>Almost all the operational costs of the Section depend on the sectoral funds and now some projects are being submitted to other donors. Initially, it was a challenge getting qualified people and other experts in the field of food science and this needed a lot of justification.</p>	

Promoting value-addition products in schools was challenging in view of the Nutrition Policy now being implemented which classifies products like hamburgers as foods to be avoided. The Section has undertaken nutritional analyses of products and is now working with the nutritionists to address this. In addition, fishing vessels are now selling their by-catch directly to overseas suppliers which has considerably diminished the by-catch landed and available for processing. A policy requiring fishing vessels to land all by-catch is being developed.

Impact

It is felt that it is too early to measure the impact of the activities conducted in the in 2019 and 2020 as the focus was mostly on capacity building to improve fish quality and fish products, research and development to promote under-utilized species and assisting entrepreneurs to develop the market. Where built facilities are concerned, the Manager indicates that the food processing facilities at Bel Ombre have been built at a much higher standard than the facilities at Providence.

Despite reviewing projects for value-addition, the resources available to promoters to implement projects are limited and it appears that decisions to allocate resources favor established business owners or existing fisheries businesses. An example is the cap of SCR3M imposed by the SFA for loans from the FDF, which is felt to be too low to start a viable business in this area and it is felt that this cap needs to be reviewed in light of the present economic realities. In addition, land for fisheries processing have been already allocated to existing businesses many of whom have never developed this land. Consequently, new entrants and especially younger entrepreneurs face many obstacles to enter the industry and it is felt that a review of the criteria to allocate resources is called for.

The Manager also pointed out that value-addition activities in the fisheries sector is still limited to primary value-addition and no one is doing secondary value-addition. He informed that the results of a survey the section did in 2019 showed that 20,000 tons of fish wastes is dumped monthly at the landfill which shows that the potential for secondary value addition is huge.

4.1.6 Monitoring, Control, Surveillance and Enforcement

	<i>AIR</i>	<i>SEA</i>		
Year	(hours)	Coastal patrols no.	Long range (Days)	Comments
2018	15 (20)	12	23(150)	
2019	34 (20)	19.5	10(15)	Patrols conducted in conjunction with Coast Guard and Air Force

The main objectives of the Monitoring, Control and Surveillance Section (MCS) within the SFA are to prevent and deter illegal fishing in the Seychelles EEZ and to maintain safety at sea. To deter illegal fishing, EEZ air and sea patrols target industrial and semi-industrial vessels and coastal sea patrols target coastal boats with outboard engines, artisanal and out-of-season lobster fishing.

4.1.6.1 Air & Sea patrols

The target for air patrols was 20 hours for the years 2018 and 2019 respectively and the table below details the number of hours of air patrols and the number of sea patrols conducted over this period. Patrols are conducted using the Seychelles Air Force aircraft and a team consisting of 2 persons from

the SFA and 3 persons from the air force is deployed. Following the MOU signed with the Seychelles Air Force and Seychelles Coast Guards, these armed forces agencies do look out for illegal activities on their routine patrols and are reimbursed in cases where they engage in missions related to illegal fisheries activities.

In 2018, 23 days of national sea patrols were conducted against a target of 15 and 10 days were conducted in 2019 against a target of 15. Patrols are conducted in conjunction with the Coast guard and the air Force.

Stakeholders were of the opinion that the number of patrols are inadequate and that a lot of illegal and unregulated activities go undetected and unreported. Boat owners indicate that in many circumstances, they are the ones alerting the authorities about illegal activities and they feel that so far this is not efficient.

National coastal sea patrols

National coastal sea patrols target the use of illegal gears such as spearguns and usually focusses on small boats with outboard engines. Only 12 hours of patrols were conducted in 2018 and 19.5 hours in 2019

4.1.6.2 VMS monitoring and compliance

Table 4: VMS Monitoring and Compliance 2018 & 2019

Activity	2018	2019	Comments
Vessels inspected at port	223 (90)	177	This is in compliance to FAO/IOTC requirements Inspections extended to include purse seiners and long liners
Vessels tracked	493 (350)	508 (350)	
EU, IUU catch certificates issued	1223 (1000)	2401 (1000)	
Communications systems – Safety at sea	20 VMS installed No small vessel tracking units (SVTU) installed	20 VMS installed	SVTU bought in 2020 with 2019 budget. In 2020, 24 SVTU were installed in the three months preceding this report; 3 of these have been installed on sports fishing vessels

Source: SFA

In 2018, the Fisheries Monitoring Centre (FMC) monitored 493 vessels with autonomous power supply which increased to 508 in 2019.

SEY flagged vessels compliance inspections overseas

Compliance inspections are carried out on all Seychelles flagged industrial vessels to ensure compliance with domestic and IOTC requirements. SFA targets 90 inspections annually and 223 and 177 inspections were done in 2018 and 2019 respectively.

4.1.6.3 Safety at sea-communication systems

All semi-industrial and artisanal vessels with an autonomous power system have had the Vessel Monitoring System (VMS) communication terminal installed free of charge. In 2019, funds were available to procure 20 units for new installation and maintenance.

Maintenance of the terminals is being done by SFA staff and presently there are three staff members tasked with the provision of these services and to monitor compliance.

4.1.7 MCS office extension

This project, approved in 2016, aimed to alleviate the office space constraints at the SFA. The work started in November 2017 and was completed in June 2019 after encountering delays in 2018. The delays relate to variation of work because the roof structure had to be amended.

The office space situation was temporarily alleviated because SFA is presently renting office accommodation because of fungus infestation in a majority of its offices. Management decided to move SFA out to allow for thorough cleaning and disinfecting of all offices before all staff can move back into its offices. However, the Manager MCS pointed out that with the recent staff recruitment, space will be an issue in the short term.

4.2 Fisheries infrastructure development for artisanal and industrial sectors

Table 5 summarizes the various infrastructure projects implemented in 2019 and 2020 and their implementation status.

Table 5: Infrastructure projects implemented with 2018 & 2019 funds

PROJECT	STATUS
Objective 2.1: Fish processing and increased value addition of fish products landed in Seychelles	
Artisanal infrastructure projects/Bel Ombre	Target: 70% of work Completed on the fishing port facilities (sewage, Fuel Station, Gear Stores) In December 2018, a Sewage Treatment Plant (STP) was installed to support the four fish processing units. In 2019, SFA applied for electricity connection for the processing units and the STP. Electrical installation, testing and commission of the facilities is completed.
Artisanal infrastructure projects/Providence Zone 6	Target: 40% of work Completed on the fishing port facilities Provision and upgrade of power supply to the four substations constructed at the Providence fishing port is 80% completed. Work is ongoing with the Public Utility Corporation (PUC) to increase power supply to the 9 processing plants units, the new ice plant facility and the aquaculture facility
	Phase 1 of the construction of the Broodstock Acclimation and Quarantine Facility (BAQF) started in December 2017, comprising of a multi-species quarantine and acclimation facility that provides quarantine treatments for wild-caught broodstock and prepares these

PROJECT	STATUS
	animals for life and reproduction in captivity. It was commissioned in August 2019 and officially launched in October 2019.
Support fishing communities in districts	Target: 60% of work Completed on the fisheries related infrastructure (Fish Market, Gearstores, clearing of channels, new quay) The fisheries related infrastructure needs in communities were reviewed with the development of the Fisheries Comprehensive Plan. Therefore, construction projects were temporality put on hold. In the meantime, the project team at SFA focused on the planning and designing of new proposed projects. The Cascade – Phase 1 development comprising of reclamation, rock armouring & slipway which started at the end of 2018 was the only ongoing project and is expected to be completed in February 2020, is nearing completion.
Ice plants installation/maintenance	Target: 9 operational ice plants Throughout 2019, there were eight ice-plants in operation, seven on Mahe and one on Praslin. During the last quarter of 2019, the Seychelles received donation of an ice plant which was installed on La Digue island in December. Furthermore, the Government purchased 5 additional ice plants which were delivered in January 2020. Four of these will be placed on Mahe and one on Praslin. There are presently 13 operational ice plants at different locations on Mahe, Praslin and La Digue.
<i>Objective 2.2: Maintain Port Victoria as the Major Tuna landing / transhipment port in the Western Indian Ocean</i>	
Tuna Purse seine infrastructure	Support to the Ile du Port project under the Sectoral Support was terminated following a Joint Committee decision in February 2018.

Source: SFA

The issues identified with managing infrastructure projects identified in the 2014 and 2015 performance audit report remains mostly unresolved over this reporting period. The involvement of the Ministry in planning meant that some projects were replaced by others identified by the Ministry or put on hold whilst reviewing designs or approach based on directives.

The delays and issues with records are addressed in the 2014-2020 protocol report and so is a more detailed assessment of the impact of the infrastructure built during the protocol period.

4.3 Capacity building

4.3.1 Human Resource Development

4.3.1.1 Implementation of the SFA training plan

The SFA prepares an annual training plan whose implementation is supported with funds from the regular budget and from EU funds. SFA does not have a training plan to support its strategic plan.

For the period 2018 and 2019, the target for EU funding was for 2 persons enrolled in tertiary level training programmes each year and the table below details the training paid for. A staff member who was earmarked to enroll on a tertiary training in 2019, postponed the training to 2020, which has now been further postponed to 2021 in view of the situation with COVID-19.

Table 6: Tertiary level training implemented with 2018 & 2019 fund instalments

2018	2019
Enrolment 1. BSc Engineering (Hons) Civil & Environmental Engineering 2. MSc Applied Aquatic Biology	3. BSc Marine Environmental Science
Returning graduates 1. MSc Marine & Coastal Resource Management	2. MSc Applied Aquatic Biology 3. BSc Marine Biology & Zoology 4. Computer Information Systems for Business
Ongoing tertiary level training 1. PhD Environmental Economics 2. MSc Fisheries Statistics 3. BSc Marine Biology 4. BSc Computer Science	5. PhD Environmental Economics 6. MSc Fisheries Statistics 7. BSc Marine Biology 8. BSc Computer Science 9. BSc Engineering (Hons) Civil & Environmental Engineering
Short Courses 1. Practical tools in Quantitative Fisheries stock assessment 2. Laboratory Safety procedures 3. Legislative drafting	

Source: SFA

There are currently 6 staff members following degree courses in various fields including environment science, ICT, fisheries science among others.

In view that in 2019, SFA was declared an autonomous entity, we expected to find management as a priority area for training. However, we were informed by the Human Resources staff that management training was planned but is not popular. The Senior Budget and Human Resource Officer indicates that the HR function does not participate in target setting when planning for spending of the EU funds.

SFA also suffers from instability in its HR function, there have been 4 persons at the head of the HR function in the last 10 years.

4.3.2 Technical Assistance

4.3.2.1 Management of sectoral support programme

In 2017, a person was recruited to provide “**Technical Assistance to support SFA with Management and implementation of the sectoral support programme**”. The terms of reference for the Technical Assistance is found in appendix B.

Since her recruitment, a sectoral support report has been produced annually since 2016 and this is a welcome development as it provides a snapshot of the state of implementation of the various activities for one fund instalment. However, the report does not comment on programme efficiency nor provides recommendations on improving overall implementation of the sectoral programme as detailed in the TORs.

We note improved budget expenditure records as the incumbent presently keeps records on the expenditures relating to the funds and undertake reconciliation of the records based on CBS reports. Accounting records for expenditure related to the sectoral funds are also available in the accounts section for 2019, before that the only records were the ledgers kept by the Technical Assistance person. Budget reports originate from the Technical Assistance Office (even for 2019) and not from the Accounts Section and there has been at least one instance of misreporting of expenditure information over the period that led to under-reporting of the amount spent.

We did not see any other evidence of monitoring activities in relation to the EU funds. In reviewing the TORs, at a minimum, we expected to see monthly budget utilization reports because this would allow the TA and management to detect slow execution, address issues of low budget utilization early and also better predict when the 75% budget utilization threshold is reached. For example, if half way through the year, it is clear that a project would not be fully implemented, procedures can be initiated early to reallocate funds to other budget lines.

We have been informed that the TA reports to the board on the progress with implementing the EU support, but the board minutes provide few details on exactly what was reported and discussed. We have not seen minutes with managers or reports on issues with implementation of individual projects.

The issue is how to ensure that the TA adds value and truly assists with improving implementation of sectoral support. In our view, financial administration of the sectoral support is not the best use of the TA, given that SFA now has a fully-fledged and qualified accounts team. This function is best done by the accounts section, freeing the TA to focus on the development and implementation of a monitoring and evaluation framework for the EU Sectoral programme and also avoid duplication since information is available in Accounts Section from 2019.

4.3.3 Participation in international and regional forums

4.3.3.1 Participation to and hosting international meetings and forums

In 2018, 23 SFA staff participated in 29 international forums and in 2019, staff participated in 42 forums. The need to attend is identified by both the Fisheries Department and the SFA.

We note that there is no schedule of meetings for the year where there is a necessity for representation by the SFA and we also note that the same persons seem to be participating in a majority of the meetings. SFA has to assure itself that it has a plan to allow exposure of a maximum number of its technical and management staff as part of its succession planning.

4.3.4 Contribution for improved facilities and functioning of fisheries related bodies and organisations

The funding available under the EU/Seychelles sectoral support has allowed for the financing of some fishing initiatives in 2018 and 2019.

4.3.4.1 Equipment/training to support the Fish Sanitary Inspection Unit, Seychelles Bureau of Standards

The Seychelles Bureau of Standards (SBS) benefitted from the sectoral support by the funds they received to improve their facilities.

Objective(s):	To equip the Seychelles Bureau of Standards laboratories to the standards required to conduct fish inspections and undertake heavy metals and histamine analyses
Deliverables	4 EU approved establishments
Status of Implementation:	
An approved establishment is a processing establishment approved by the competent authority, which in this case is SBS, to export fish & fisheries products to the EU market.	
There are presently 7 EU approved establishments, so this target has been surpassed. There are also 16 refrigerated vessels (13 purse seiners and 3 long liners) that are approved vessels to export to the EU. They are French and Spanish owned vessels that are flying the Seychelles flag and all their sanitary controls fall under the purview of the Seychelles competent authority.	
Challenges	
The main obstacle to implementing this activity is human resources. The EU support has gone solely towards procurement of supplies and short training whereas recruitment and remuneration of human resources is the responsibility of government. The remuneration package has made it difficult for the FIQCU to attract and retain trained human resources especially graduates. The Manager indicates that with the present salary package, FIQCU can only attract staff with only a certificate level of education. This restricts the breadth and depth of activities that the FIQCU can undertake and also prevents it from upping its service levels.	
Going forward	
A recommendation is for the sectoral funds to support capacity building for the FIQCU.	

4.3.4.2 Support to small scale fishermen associations

In 2018 and 2019 the EU Sectoral Programme provided support to the Fishermen and Boat Owners Association (FBOA) and Praslin Fishermen Association (PFA) directly towards remuneration of their secretaries and office rental for PFA.

Operationalization of the selling platform initiative at Providence will be addressed in the 2014 -2020 protocol report as no activity was recorded during 2019 and 2020.

4.3.4.3 Ancillary training support

The training vessel Virgo II forms part of the SFA's research vessel fleet and SFA has an agreement with the SMA on management of the vessel. In 2018 and 2019, sectoral funds went towards undertaking major maintenance on the vessel whilst SMA was responsible for its day-to-day management. As part of the agreement, SMA has to provide a plan on the use of the vessel, which allows SFA to track the number of trips done by the vessel, but this is not always done.

- I. 2018 – 12 trips planned (SMA will be able to confirm the exact number of trips they managed to undertake and the total number of students trained)
- II. 2019 – 6 trips undertaken but only 3 trips were for students and in total 20 students were trained.

Constraints

The biggest challenge to effectively implementing this programme is that the Virgo II keeps breaking down. The Chief Fisheries Scientist reports that after major repairs carried out in 2019, they expected that 2020 the SMA would be able to fully utilize the vessel, however, there was equipment theft which meant that the vessel could not be used. In 2020, the number of trips were reduced because of reduced activities related to the COVID-19 situation and SFA had to assist SMA with the use of L'Amitié because Virgo had broken down.

4.4 COVID-19 RESPONSE PROGRAMME

In response to COVID-19 and as part of ensuring local food security, it was decided that 28% of the EU funds, representing EUR 161,121 equivalent to SCR14,203,872, would be diverted to assist fishermen.

4.4.1 Ice programme for artisanal fishers

Under the COVID-19 response in the fisheries sector, government instructed SFA to make available ice at a reduced price (from 60 cents/kg to 30 cents/kg) to artisanal fishermen as from March 2020. The aim was to allow fishers to continue going out to fish, to ensure a steady, affordable fish supply for the local population. The premise is that with cheap ice, the price of fish was supposed to reduce although there does not seem to have been systematic monitoring of fish price to ensure that this was happening.

From March 2020 to July 2020, SFA purchased and installed 5 new ice plants which were all functioning at full capacity during this period with no breakdown because they were new. Table 7 shows ice plants and their location and production capacity.

4.4.2 Purchase and sale of artisanal fish

SFA bought a total of 12 tons of fish at SCR559,035, primarily fresh fish that would normally be airfreighted to Europe but because of the closing of national borders with the COVID-19 situation, could not be exported, and excess fish for local consumption. It also bought 3 reefer containers and borrowed 2 additional ones to store fish which are being processed by the Post-Harvest and Value-Addition Section.

Other refurbished facilities on the fishing ports that facilitated handling of excess fish during this period was the blast freezer for freezing the fish before storing in reefer containers. In tandem, upgraded power facilities at the Providence Industrial Fishing Port through installation of power points for the reefer containers ensured an adequate supply of electricity for the additional equipment.

4.4.3 Monitoring, control and surveillance of artisanal fishers

Sixty (60) VMS tracking devices were procured and installed on artisanal fishing vessels in order to track their movement and use of fishing grounds. This was to ensure that there was universal coverage of all active fishing vessels in order to monitor movements during the period when there was restriction on movements.

Table 7: Location of ice producing machines as of 1st December 2020

DISTRICT	NO OF ICE MACHINES	MAKE	PRODUCTION CAPACITY (tons)	ACTUAL PRODUCTION	PERCENTAGE	ACTUAL SITUATION	DATE COMMISSIONED
Bel Ombre	1	Japanese Mycom NH3	(5 tons) 2 units of 2.5 tons each	2	40 %	One unit has issue with the compressor. the spares are being ordered from Japan	2010
	1	Ziegra Containerize R404	10	9	90%	Machine is in operation and ice is available.	2016
Fishing Port Victoria	1	Ziegra Containerize R404	10	9	90%	The water filter has been replaced and machine is in operation	2015
	1	Snowkey R404	5	5	100%	Machine has been commissioned since 6th October. Started selling ice as from 13th Oct.	6 th Oct 2020
Anse Royale	1	Japanese Mycom R22	5	2.0	40%	Machine is in operation and ice is available	2002
Providence	1	Japanese Phase 1 Mycom NH3	(10 tons) 2 units of 5 tons each	8	80 %	Machine is working both units are in operation	2009
	1	Japanese Phase 2 Mycom NH3	(10 tons) 2 units of 5 tons each	10	100 %	Both Units are working	2018
	1	Snowkey	5 tons	5tons	100%	In operation since end February 2020	2020
Anse a La Mouche	1	Snowkey	5	5	100%	Has been put in operation as from 15th April 2020.	2020
Praslin	1	Japanese Mycom R22	5	0	0%	Machine is out of order. We have ordered new piston and rings from the supplier	1992
	1	Snowkey	5	5	100%	Commissioned and running as at 7th March 2020.	2020
La Digue	1	Kholler	3	3	100%	The machine is back in operation	2019
La Retraite	1	Snowkey	5	5	100%	Started to sell ice on the 26 th November 2020	Nov 2020
Actual production			83 tons	68 tons	81.9 %		

4.4.4 Food security programme

An MOU was signed in June 2020 between the Ministry of Fisheries and Agriculture (MFA), the Seychelles Fishing Authority (SFA) and the Seychelles Maritime Academy (SMA) pertaining to the development of training programmes for the fisheries sector as part of efforts to train more people for the sector. Based on this MOU, a sum of SCR8M was transferred to SMA for the purchase of a fisheries simulator, construction of a building to house the simulator and to purchase a pontoon. The simulator will support the new fishery course they are planning to start in 2021. No funds have been spent yet.

We note that the funds have been transferred without a contract or agreement on the procedures for spending, the records to be kept and the reporting to the SFA who is the main custodian of the funds. In our view, this is not prudent management of the funds.

4.5 Management and strategic issues

This audit covers the period from December 2018 to July 2020 and it relates to funds disbursed in December 2018 to be utilized in 2019 and funds disbursed in December 2019 to be utilized from January to July 2020. Below we discuss some of the issues over the period that contributed either to improve or diminish the effective and efficient utilization of the sectoral funds. To note that some of these issues were raised in previous performance audits and some have started to be addressed.

4.5.1 Programme execution

Implementation of most activities seem to be on target except for production of various industry reports and infrastructure projects and delays as a result of the restrictions imposed because of the COVID-19 situation.

4.5.2 Governance issues

During this period, a range of issues identified in previous performance audit reports have been addressed and the SFA has to be commended for this. However, there are still some pertinent unresolved issues that could potentially threaten the successful implementation of the sectoral support programme and may eventually reduce its intended impact.

Status of SFA

SFA became an autonomous entity as from 1st January 2020, which means that it is both administratively and financially autonomous and therefore is no longer budget dependent. It is guided by the Public Enterprise Monitoring Commission (PEMC) for administrative oversight although the Ministry of Fisheries remains its parent ministry for policy direction.

In line with the new autonomous status, a new organogram was developed with the input of all managers and approved by the board in May 2020. It provides for 4 main units: Infrastructure Management & Development, Aquaculture, Fisheries Resource Management and Fisheries Research and Development, supported by 2 units: Finance & Business Development and Corporate Services.

Leadership

During 2019 and 2020, SFA continued to suffer from instability at its helm. Mr Ronny Renaud who was appointed CEO in May 2017 left in April 2019 and the SFA was without a CEO or anyone acting in that capacity until March 2020, when the newly appointed Chairman, Mr Cyril Bonnelame, was appointed Interim CEO. The present CEO, Mr Nichol Elizabeth, was appointed 1st October 2020.

Other key management positions were also affected: there was no financial controller between February and mid-August 2018, followed by someone acting for 4 months and a fully-fledged financial controller joined in January 2019. The Human Resource Manager, who joined in July 2018 after having no HRM for 6 months previously, left in October 2019 and the present HRM joined in 2020.

At policy level, changes in Ministers also added to the uncertainty in the working relationship with the Fisheries Department and also in policy direction. At the time of concluding this exercise, a new Ministry

of Fisheries was created following the coming to power of a new government after the Presidential and Parliamentary elections earlier in October.

Managers report that the changes in the leadership brought uncertainty at the SFA which in some instances delayed decision making and programme execution and affected staff morale. There is also a loss of continuity because each leader comes with their own approach and own priorities and the managers have to constantly adapt to new ways of working and changes in direction which also leads to loss of confidence.

It is important that the issue of stability at the head of the SFA is addressed especially now that it is an autonomous entity and it would be harder to manage remotely from the Ministry as has been practiced earlier.

Ministry of Agriculture and Fisheries (MAF)

1. In 2019, the Ministry of Agriculture and Fisheries (MAF), SFA's parent ministry, developed two important policy documents which provided policy direction for the fisheries sector: the ***Seychelles Fisheries Sector Policy and Strategy 2019*** (SFSPS 2019), which replaced the 2005 Fisheries Policy and the ***Fisheries Comprehensive Plan 2019*** (FCP 2019). The latter reflects priority areas for implementation from the fisheries policy.
2. The 2014–2020 protocol is based on implementation of the 2005 Fisheries Policy with the three main objectives forming the framework for the sectoral action plan. The SFSPS 2019 consists of one overall goal and 10 objectives which are detailed under 10 policy statements. The focus is on sustainable fisheries management and the development of the blue economy and the policy identifies its fisheries components as development of aquaculture and ranching, IUU activities, food security, value adding, surveillance and enforcement and exports. In essence, although the framework is presented differently, its components cover all activities on the present matrix. A review of the EU sectoral programme to ensure that the objectives reflect those on the new fisheries policy is called for.
3. The staff reports that in 2019, when there was no Chief Executive Officer, the staff reported directly to the Ministry and they welcomed the policy guidance on allocation of the sectoral support funds and it is felt that the 2019 plan of action for the sectoral programme reflects the priorities identified in the FCP 2019 in particular under priority 2- infrastructure projects. Consequently, a framework for working with the Ministry was developed which consisted of regular meetings between SFA management and Ministry officials in order to harmonise plans and activities with policy implementation.

Board of Directors

4. The board met 10 times in 2018 and twice in 2019 and the staff reports that as from October 2019, the board effectively did not have a chairman until the appointment of the present chairman in February 2020. It is a 5-member board and the chairman indicates that additional board members were to be appointed to allow structuring the board into committees.
5. SFA's autonomy status makes board oversight crucial and it is urgent that the board structures itself to assume all its fiduciary functions and as a matter of priority, it needs to set up an Audit & Risk

Committee, to ensure that the issues and recommendations flagged in the various audit reports (2014, 2015 and 2016 financial audits were qualified). The recruitment of an Internal Auditor is key.

6. **Internal Auditor:** The new organogram provides for the recruitment of an Internal Auditor to report to the board. It is important that this post is filled quickly to assist the board in its oversight role. SFA's administrative and financial autonomy means that two very important oversight bodies will no longer play an important role in overseeing processes within the SFA day to day – the Ministry of Finance and the Department of Administration. Therefore, the board would need support to ensure that processes are robust and agreed procedures are adhered to at all times. In addition, important tools such as delegation of authority schedules and a proper risk strategy will need to be developed to guide decision making.

4.5.3 Planning

7. Preparation of multi-annual sectoral plans must remain strategic and address priorities identified in the fisheries and maritime sector and not just of the SFA. Despite having a new fisheries policy, resource plans, such as an infrastructure master plan for the sector, are not available and there does not seem to be multi-annual action plans and targets for the fisheries and maritime sector with priorities identified year on year to aid planning. There does not seem to be a Monitoring and Evaluation Framework for the fisheries policy, which would also include the indicators by which the SFA's performance, as an implementing agency, will be evaluated. This makes impact assessment challenging.
8. A welcome development is the existence of a strategic plan for SFA for the period 2018 to 2020, which was developed before the SFSPS 2019 and the FCP 2019 were available and is now up for review. We did not find an organisation wide, operation plan that identifies the priorities and targets for the SFA for each year and detailed plans to meet these targets and it appears that unit implementation plans related to the strategic plan are not available. The new CEO has started to address this.
9. Planning for use of the sectoral funds is not being done as part of a coordinated SFA budgeting and finance process but rather as a separate exercise to use up sectoral funds. Activities or projects are identified by requesting priorities from individual Managers which are compiled and the TA and the DCEO then review and subject to discussions, prepare the final plan to submit for board approval. As a consequence, target indicators on the sectoral programme are set according to what can be funded with sectoral funds and are not necessarily organisation targets. For example, the target for air patrols has decreased from 50 hours in 2014 to 20 hours in 2019 and yet managers and boat owners report a general increase in illegal fisheries activities. And it appears that once the funds are exhausted under the sectoral programme, other funding is not sought to ensure that the organisational objective of deterring and detection of illegal activities is being met.
10. The non-involvement of the Finance Section in planning the use of the funds also merits attention. The Finance Section must be involved at the planning stage in order to fully assume responsibility for the financial administration of the sectoral funds. Over the period, financial planning was not optimal given that whilst one project has run out of funds, unspent funds lay idle because execution of other projects face delays, which means those that have used up their funds have to wait or sometimes, budget utilisation remains low, despite there being activities that remain unfunded.

11. An issue for consideration is: should SFA, an autonomous, implementing agency be leading the planning and management of the sectoral funds? A concern is that it may not fully capture the specific needs of the entire sector. An example is the support given to the FIQCU which amounts to €10,000 annually, which usually goes towards supporting office supplies. FIQCU is the only competent authority for certifying fish processing premises and fish and fish products for export and without those supplies, they are unable to issue health certificates and no fish could be exported to the EU, which is the country's primary market. And yet, in the preparation of the 2019 sectoral plan, the allocation to FIQCU was initially removed but was reinstated following the intervention of a board member.
12. Another concern is that it may prioritise the use of the funds to plug in its own revenue shortfall as an autonomous body. On the other hand, the SFA now has the capacity and is better set-up to manage the EU sectoral funds, therefore, robust mechanisms have to be in place to ensure that the sectoral funds address priorities of the fisheries sector and not only that of the SFA. We were informed that a Technical Committee, made up of SFA and Ministry staff, set up as part of the framework for working with the Ministry, will be the forum to address all issues related to the use of the sectoral funds.

4.5.4 Production of reports

13. The production of reports has been plagued with delays and this applies to all reports. This is a basic component of the accountability framework for all public sector organizations and also forms part of some of SFA's international obligations including as part of sectoral support. At the time of completing this audit, the 2017/2018 annual report was still being compiled and arrangements were being made to start the 2017 financial audit. The reason for the delay in publishing this report is that the SFA had no Financial Controller for 9 months in 2018 and therefore there was difficulty in finalizing the finance component of the report. The continued delay in the production of these statutory reports needs management urgent attention because it goes to the reputation of the SFA and the impression is that it is not an efficient organisation. The board should insist that the management prioritises the completion of these reports, and the organization gears itself for the more onerous reporting requirements of an administratively and financially autonomous government entity.
14. As for the financial audits, the auditors Pool & Patel issued a qualified opinion on the 2014, 2015 and 2016 financial audit reports and pulled out before starting the 2017 financial audit. To note the sectoral funds were also included in the 2015 and 2016 financial audits and this is cause for concern. The biggest challenge for the auditors was the state of the records, which could not be accessed because they had gone into storage because of fungus infestation and the absence of a head of finance.
15. One of the indicators throughout has been the production of semestrial economic performance reports and fisheries value chain analyses and none of these have been produced over the protocol period because of lack of staff. We were informed that in 2018, an Economist joined the Economics Unit. The previous Senior Economist is undergoing her PhD which is to end early 2021. In the absence of economic performance reports for the fisheries sector, the only information on its contribution to the local economy is captured in the SFA annual report, and it is out of date. The sector's contribution and indeed the work of the SFA is not visible except when fishermen have

issues with ice or other inputs. The Chief Economist indicated that a dashboard for the fisheries satellite accounts is available and that NBS is responsible for data collection.

16. We raise the issue of records under activity 1.1.1 and wish to reiterate here the need for SFA to seriously consider comprehensive digitization of its records in order to streamline its processes and introduce more flexibility in the delivery of its services. Digital records would not only address issues of space, but as a modern employer, SFA should look at flexi-time to improve workforce productivity.
17. SFA should consider digitizing all its important records and also to have effective back-up of important data using a combination of physical servers and cloud technology. This will address the issue of physical space to store paper records and accommodate staff but also flexibility for staff to work from home as well as being physically present in the office either because of personal health challenges or when staff has to care for family members.
18. SFA as a modern employer **should consider** policies for flexi-work including working from home in order to protect its staff, maximise productivity and minimize disruption in its operations which might cause it to renege on its international obligations.

4.5.5 Rationalisation of the functions of the SFA

The SFA Act 2005 has been reviewed and been sent to the National Assembly but it is yet to be approved because of the contention regarding some of its services which were felt at the time to be in direct competition with the private sector. Whilst infrastructure development is required for the development of the fisheries sector, should the SFA be the implementing agency? The SFA Establishment Act sets it up as a regulator with a wide scope of activities and given that it is about to be reviewed, it maybe an opportune time to re-look at its functions and clearly define its core business. Presently, the authority is the regulator, fishing port administrator and provider of inputs such as ice, building infrastructure and managing incentive schemes, some conflict at times with its regulator status and others detracts from its core function as it takes up much of its resources e.g. infrastructure development. The new Government has announced the creation of an agency to implement government infrastructure projects and until this becomes operational, SFA will have to explore ways to strengthen its existing processes to manage implementation of infrastructure projects, which continues to be a major weakness.

4.5.6 Capacity development

Within SFA

19. Over the reporting period, attention and resources seem to have gone towards building the capacity of the authority to deliver on its mandate. Although, capacity building features as a separate objective on the matrix, capacity building occurs under the other 2 objectives especially under activity 1.1.1- monitoring of tuna fishing activities in the EEZ. Despite developing its strategic plan, the SFA still does not have a medium to long term training policy and plan to guide its capacity building activities and support succession planning.
20. The capacity of the SFA to deliver its services and manage the sectoral funds, seems to have improved significantly as a result of several factors: appropriate leadership of the board,

recruitment in key positions such as CEO, Financial Controller, additional posts in the technical areas, Technical Assistance to assist with management of the sectoral funds as well as continued training. However, from the reactions of managers, it appears that the reviewed salary schemes implemented in 2019 may be the most important factor in improving the authority's capacity by ensuring that it retains and attracts highly trained professional staff. The managers also report that the participative management style they experienced at the beginning of 2020 also helped to boost morale.

Fisheries industry

21. Sectoral funds must support capacity development throughout the fisheries value chain. The FIQCU needs attention if it is to grow and support the evolution and orderly growth of the fisheries industry. With the emphasis on value addition, more fish processing facilities are expected and the capacity of FIQCU to upscale and improve the quality of its services merits attention.

5 Conclusions and recommendations

5.1 Conclusions

1. In 2019 and 2020, the SFA spent €4,661,876 representing SCR 72,667,380 under EU Sectoral support making an average budget utilisation over this period of 72.5% (77% of the 2018 instalment and 68% of the 2019 instalment). Over the period, 31% of total expenditure was on infrastructure projects, a departure from previous periods when closer to 50% of expenses went to infrastructure, which could also explain the improved budget utilisation.
2. Planning for the use of the sectoral fund within SFA was ad hoc although the involvement of the Ministry of Agriculture provided some assurance that projects address pertinent fisheries policy issues. Non-involvement of the finance team in budget planning resulted in sub-optimal financial planning and funds remaining unspent whilst units lay idle because of lack of funds.
3. Overall, the efficiency with which the sectoral funds have been used improved as a direct result of an increase in the management capacity at the SFA. The TA has provided a focus and coordinated the administration related to the funds and contributed to having improved budget expenditure records and reports at the end of a budget period. In addition, SFA now has increased capacity to manage the funds following recruitment in key management positions and also additional technical staff and having a functioning board. The restrictions imposed in the country because of the COVID-19 situation slowed down programme implementation in 2020, however, the speed at which resources could be diverted to address more urgent policy issues related to the cessation of artisanal fishery activities, underscores the efficiency of the use of the funds over this period.
4. SFA continues to face delays in its reporting obligations as a result of various factors including fungus infestation delaying publication of fisheries statistics and leading to incomplete financial audits, and lack of human resources at different points leading to delays in the publication of its annual reports and no publication of economic performance reports.

5.2 Recommendations

We want to reiterate that many of the issues above are now being tackled and we make the following recommendations.

5. We recommend that SFA makes better use of the TA and transfer the financial administration function for the sectoral funds to the Finance and Accounts Section and free the TA to focus on overall management of the funds. The Finance Section should record expenditures and produce monthly budget utilisation reports which the TA will use to develop a narrative report for the management and the board. We further recommend the following:
 - I. That the TA develops a monitoring and evaluation framework for the sectoral funds consisting of more regular reports, a set of indicators that are consistently reported throughout the protocol period, periodic visits to stakeholders such as SMA, FIQCU, FBOA, etc to discuss issues with project execution and also collect data.
 - II. That the TA works with the Finance Section to ensure that there are clear rules of engagement and an accountability framework for non-SFA stakeholders to whom funds are transferred and there are clear procedures for expenditure and reporting to the SFA throughout the use of the funds.
 - III. Improve financial planning of the use of the sectoral funds by having detailed costed plans and by involving the Finance Section in the planning process.
6. We recommend that SFA management sets a deadline date by which the backlog in the preparation of annual reports and audit reports should be erased and put in place a process to ensure timely preparation and submission of reports in preparation for the more onerous reporting requirements of autonomous public bodies. The delay also means that the sectoral funds spent in 2017 through to 2019 lay unaudited at this point. SFA should bear in mind, that non-compliance to basic accountability requirements goes to the reputation of the organisation.
7. The board should structure itself to ensure it assumes all its fiduciary duties especially given the corporatisation of SFA now that is an autonomous entity. The setting up of an Audit and Risk Committee is urgent to ensure that there is a proper process to address risks identified in the various audit reports. We also recommend urgent recruitment of an internal auditor.
8. Given that there is a new Minister, we recommend the conduct of an exercise to review and rationalise the functions of the SFA before finalising the SFA Establishment Act for Assembly approval to ensure that it is in line with Government Policy.
9. We also recommend an audit of the support being given to the SMA in order to understand the issues with the management of Virgo II which is making it unavailable for continuous use to support its training programme.

APPENDICES

Appendix A: Terms of Reference

TERMS OF REFERENCE FOR PERFORMANCE AUDIT EVALUATION OF THE IMPLEMENTATION OF THE SECTORAL SUPPORT PROVIDED FOR THE EU/SEYCHELLES FISHERIES PARTNERSHIP AGREEMENT FOR THE 2018 & 2019 INSTALMENTS AND FOR THE PROTOCOL PERIOD COVERING 2014 - 2020

Objective

The objective of this consultancy is to undertake an independent audit to evaluate the implementation of the Sectoral Support provided under the Protocol and to provide assurance to the parties that the funds are being utilized economically, efficiently and effectively.

The audit is to assess and evaluate the performance of the SFA vis-à-vis the execution of activities approved by the EU and the Seychelles for the calendar years in relation to the allocated budget and the impact of the Sectoral Support within the stipulated Protocol.

The assessment is to provide information to both the Seychelles and the EU to improve accountability and facilitate decision-making by both parties with responsibility to oversee or initiate corrective action in relation to the implementation of programmes under the sectoral support fund.

Background and Context

The Seychelles Fishing Authority (SFA) was established under the Seychelles Fishing Authority Act 10 of 1984, with a mission to regulate and promote the conservation and sustainable management of marine resources in order to ensure long term viability of the industry. The vision for the fisheries sector in the Seychelles is “Develop fisheries to its full potential whilst safeguarding the marine environment and resource base for sustainability”.

It is anticipated that this will be achieved via the:

- Good governance and institutional strengthening
- Sustainable management of fisheries and climate resilience
- Infrastructure support and value chain development
- Building efficiency in the industry
- Investment and economic growth
- Seychellois stake-holding in the industrial fisheries sector
- Employment, training, resourcing and human resource development
- Strengthening Monitoring, Control and Surveillance
- Research and innovation in the fisheries sector and aquaculture
- Sustainable development of aquaculture

Fisheries Partnership Agreement between Seychelles and the European Union

The EU/Seychelles Fisheries Partnership Agreement being referred to for the purpose of this performance audit covered the period of 2nd November 2013 to 1st November 2019. Its Protocol ran over a period of six years, which started on 18th January 2014 and ended on 17th January 2020. The Protocol provided for a total amount of EUR 30.7 million. The contribution comprised of:

- An annual amount for access to Seychelles' EEZ of EUR 2.75 million for the first and second years of the application of the Protocol and EUR 2.5 for the remaining years (three to six), equivalent to a reference tonnage of 50,000 tonnes per year, and
- A specific amount of EUR 2.6 million for the first and second years of application of the Protocol, and EUR 2.5 million for the remaining years (three to six) for the support and implementation of Seychelles' sectoral fisheries policy and marine policy.

During the Protocol years, the EU-Seychelles Joint Committee as established under Article 8 of the Fisheries Partnership Agreement adopted annual work programme for the sectoral support equivalent to the yearly amount provided for under the Protocol. The areas of priorities identified were as follows:

- i. Development and implementation of fisheries and aquaculture management plans;
- ii. Fisheries infrastructure development for artisanal and industrial sectors; and
- iii. Capacity building.

Scope of Work

The Consultant is to provide recommendations on whether significant improvements in implementation of the fisheries and maritime sectoral programme has been made, and that funds have been utilized promptly, economically, efficiently and effectively. In so doing, the Consultant, will assess the operations of SFA, on its:

- Current performance: Determine whether the existing structure, systems and processes (current model) are the most effective way of carrying out the functions of SFA, in the implementation of the fisheries and maritime sector programme.
- Future performance: If the current functions are confirmed as the most appropriate delivery mechanism, then look at how mechanisms and functions, (project initiation, planning, management and procurement procedures) that could improve implementation performance.
- Corporate Governance and reporting: How well are the SFA Management and Board roles and reporting arrangements defined? How could this be improved?

Do they provide proper support to operational functions? Establish whether the current accountability arrangements are appropriate given the role and risks associated with the work of SFA.

- Policy Implementation: To what extent does the implementation of the fisheries and sectoral programme meet the Government's fisheries policy and objectives? How can it be improved to better help in the attainment of the fisheries policy and objectives?
- Networking & Partnerships: What links does, or should, SFA have with other organisations (local or overseas) for faster implantation and greater impact? Where could the SFA develop joint-working arrangements with other bodies to enhance the efficiency and effectiveness of the programme execution?
- Stakeholders' views: The assessment is to consider the views of stakeholders, beneficiaries from the support fund, NGOs, civil societies in identifying how to improve the programme implementation, economy, efficiency and transparency in fund utilization. Identify areas of development that could be financed from the fund for the benefit of the sector at large.

Desired Outcome

An Authority through innovative practices which can provide prompt, reliable services whereby the results of its services and programmes contribute towards:

- Stronger service mechanism for the Authority's functions;
- Improved transparency; and
- Improved and strengthened systems attaining the objectives of the fisheries policy.

Resources

The Seychelles Fishing Authority shall provide the Consultant with meeting facilities when it is required to meet with small groups of stakeholders.

Appendix B: Terms of reference technical assistance to support SFA with Management and implementation of the sectoral support programme

1. Overseeing and monitoring the implementation of the sectoral support programme ensuring that the funds are utilized economically, efficiently and effectively as per the budgeted programmes;
2. Reporting to both the SFA and the EU to improve accountability and facilitate decision-making to oversee or initiate corrective action in relation to the implementation of programmes under the sectoral programme;
3. Scope of work as stated in the advert: Provide recommendations on where significant improvement in management and implementation of the fisheries and maritime sectoral programme can be made;
4. Monitor the mechanisms, functions (project initiation, planning, management and procurement procedures) and provide recommendations that could improve the overall implementation performance.
5. Programme the sectoral support in line with the Government's fisheries policy and objectives.
6. Establish appropriate accountability arrangements given the role and risks associated with the work of the SFA. Ensure that there are clear processes for identifying project activities and implementation of the organisation's strategic plan.
7. Oversee and assist other beneficiaries in implementing their programme. Identify and assess areas of development for SFA's consideration that could be financed under the sectoral support programme.

Source: Seychelles Nation, 10th October 2016

Appendix C: List of persons consulted

Table 1: List of persons consulted

Name	Designation
Mr Cyril Bonnelame	Chairman & Chief Executive Officer (up to 30 th September 2020)
Mr Nichol Elizabeth	Chief Executive Officer, SFA (from September 2020)
Mr Calvin Gerry	Deputy Chief Executive Officer, SFA
Mrs Nan Constant	Manager International Corporation, SFA
Mr Roy Clarisse	Special Advisor, Ministry of Fisheries
Mr Vincent Lucas	Chief Fisheries Scientist, Fisheries Management
Ms Sandra Rajoelina	Procurement Manager, SFA
Mr Michel Marguerite	Chief Fisheries Economist, SFA
Mr Aubrey Lesperance	Manager Aquaculture, SFA
Ms Sara Fanchette	Management Accountant, SFA
Mrs Julienne Roseline	Director Human Resources, SFA
Ms Selma Edmond	Senior Human Resources & Budget Management Officer, SFA
Mrs Juliette Lucas	Manager Statistics, SFA
Mr Johnny Louys	Manager Monitoring Control and Surveillance Section, SFA
Mr Ronny Antat	Manager, SFA
Mr Rodney Govinden	Chief Fisheries Scientist, SFA
Mr Andrew Bristol	Project Manager, SFA
Mr Georgie Nicette	Manager Infrastructure Management & Development, SFA
Mrs Denise Mathiot	Information Administrator, SFA
Mr Paul Laurence	Financial Controller
Mr Jude Talma	Principal Secretary, Ministry of Fisheries
Mr Christopher Hoareau	Chief Fish Inspector, Seychelles Bureau of Standards
Mr Jean Claude Hoareau	Investor, Executive Committee Member, FBOA
Mr Beatty Hoareau	Investor, Executive Committee Member, FBOA
Mr William Jacobs	Fisherman and Boat owner
Mr Vivek Vasu	Seychelles Maritime Academy
Christabelle Rose	SFA Officer, La Digue
Ms Sharifa Morel	Economist, Ministry of Fisheries
Ms Stephanie Radegonde	Policy Analyst, Ministry of Fisheries
<i>From Development Bank of Seychelles</i>	
Mr Daniel Gappy	Chief Executive Officer
Ms Rana Fernandez	Head of Credit
Mrs Jennifer Loizeau	Head of Risk, Legal and Compliance
Ms Diana Bonnelame	Credit Manager
Ms Maria Vielle	Recovery Manager

