

QUESTIONNAIRE

Implementation of the SAMOA Pathway and the MSI, BPOA for the Sustainable Development of SIDS

Please note that strict word limits have been established for each question. The Secretariat is unable to consider any information beyond these established word limits. In this regard, you are requested to report only on new or updated information. Information conveyed in previous surveys will not be considered. Previous surveys can be accessed at XXXX under reports.

PART A

VULNERABILITY REDUCTION AND RESILIENCE BUILDING IN SIDS

1. Enhanced Support for a resilient Post COVID 19 Recovery in SIDS

Vulnerability reduction and resilience building are critical issues that must be addressed by SIDS. Briefly elaborate on any resilience building interventions or strategies (proactive or preventative) that have been or are being implemented at national or regional levels that aim specifically at improving resilience in SIDS. Please include financial resources expended in this regard, if available (750 words).

1. Climate Change Adaptation: Climate change is the most critical barriers to sustainable development in Small Island Developing States (SIDS), especially in view of the reliance on climate-vulnerable sectors such as fisheries and tourism. For this reason, the Government has committed to several measures geared towards reducing the country's vulnerability and increasing resilience.

The Seychelles Meteorological Authority (SMA) has embarked on a five-year regional project - 'Building Regional Resilience through Strengthened Meteorological, Hydrological and Climate Services in the Indian Ocean Commission Member Countries (Hydromet Project)'. The project seeks to deliver climate services to enhance risk prevention and preparedness as well as emergency response and adaptation planning. A core focus is to build the institutional and technical capacities of entities engaged in early warning systems and provide decision-makers in climate-sensitive sectors with timely, reliable and accurate information. The financing information for this project is provided in the table below;

FINANCING INFORMATION	
GCF funding	Total amount
	52,767,986
GCF financial instrument	Amount
Grants	52,767,986
Co-financing information	Total amount
	18,618,099

Name of institution	Financial instrument	Amount million USD (\$)
AFD	Grant	5,405
E.U	Grant	6,172
Comoros/Madagascar/Mauritius	In kind	4,079
Gov of Seychelles	In kind	2,862
Total financing	Amount	
	71,386,086	

Additionally, the impacts of climate change are more pronounced along the coastal zones whereby an increase in erosion and flooding has been observed in the recent years. This poses significant challenges for the country given that the majority of essential infrastructure, namely schools, ports, airport, hospitals and businesses are situated in coastal areas. The Government has therefore implemented several interventions based on the Coastal Management Plan (2019-2024). Such interventions have involved hard-engineering, short-term strategies such as rock armouring, concrete revetments and sea as well as soft-engineering nature based approaches such as restoration of the beach profile and beach-dune systems.

Seychelles has also received support for different projects geared towards reducing vulnerability and increasing resilience. Ongoing projects in this area is summarized in Table 2 below.

<u>Ongoing Projects</u>	<u>Donor</u>	<u>Amount of Funding in USD</u>	<u>Duration of project</u>
GEF Global Biodiversity Framework Early Action Support	GEF	273,973	2023-2025
Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3)	World Bank/GEF	10,292,110.00	2017-ongoing
A Ridge-to-Reef Approach for the Integrated Management of Marine, Coastal and Terrestrial Ecosystems in the Seychelles Adaptation fund: Restoring Marine Ecosystem Services By Restoring Coral Reefs To Meet A Changing Climate Future	GEF	3,898,914.00	2019-Ongoing
	Adaptation Fund	2,500,000.00	2020-2026

Implementing Sustainable Low and Non-Chemical Development in Small Island Developing States- ISLANDS - Indian Ocean Child Project	GEF	2,500,000	2022-2027
---	-----	-----------	-----------

2. Sustainable Energy Transition: Another key initiative is the energy sector reform that seeks to accelerate the drive towards a decarbonized net-zero emissions economy by 2050, as outlined in the enhanced mitigation contributions under the updated Nationally Determined Contribution (2021). The Government has committed to increasing electricity generation from renewable energies, which will serve to reduce dependency on imported fossil fuel. The Integrated Resource Plan (IRP) for Seychelles’ power sector, which is currently being developed, will support the reform by establishing a coordinated approach for the effective implementation of energy sector policies. It will also serve to identify the least-cost measures to meet growing electricity demand, while ensuring energy security and an energy transition in line with the NDC and National Energy Policy (NEP).
3. Disaster Risk Reduction: The Disaster Risk Management Division (DRMD) is mandated with establishing an effective national framework for disaster risk reduction and emergency preparedness and response in Seychelles. The work of the DRMD is guided by the National Integrated Emergency Management Plan (2019-2024) and the National Disaster Risk Reduction Strategic Plan (2021-2030), which are in line with the Sendai Framework for Disaster Risk Reduction (SFDRR). The aim is to implement an effective and coordinated approach towards national risk management with a focus on strengthening synergy across Ministries, Departments and Agencies (MDAs) for matters relating to disaster risk reduction and management.
4. Blue Economy Development: Given the vast maritime territories, Seychelles continues to explore ways to leverage the marine resources for sustainable economic development. Resilience-building strategies in this context involve the promotion of the blue economy, which emphasizes sustainable fisheries, marine conservation, tourism etc. This approach fosters economic diversification and enhances the resilience by reducing dependence on limited land-based resources.
5. Regional Collaboration: Regional collaboration plays a crucial role in building resilience and Seychelles as members of IOC, AOSIS uses these platforms to facilitate cooperation and knowledge sharing in areas like climate change adaptation, disaster risk reduction, and sustainable development planning.

2. Enhanced and Tailored Development Cooperation for SIDS

Improved, tailored development co-operation approaches, calibrated to the specific needs, capacity constraints, and economic challenges facing SIDS are

necessary if SIDS are to effectively recover from the COVID Pandemic. Briefly elaborate on any planned or ongoing strategies/approaches to improve and deliver on more tailored development support to SIDS. What are the expected results from these interventions in the targeted countries. Please include indications of resource allocations if available (850 words)

A common aspect for Seychelles' development approach is the focus on identifying and addressing the specific challenges in Seychelles, most of which stem from its structural vulnerabilities as a small island state. This allows for the development of tailored approaches, such as specific capacity building or technical assistance that will enable the country to achieve its development objectives.

1. **Needs Assessments and Diagnostic Tools:** Development partners are increasingly recognizing the importance of conducting comprehensive needs assessments and diagnostic exercises to understand the specific challenges and capacity constraints.

Seychelles recently conducted a Public Investment Management Assessment (PIMA) and Climate-Public Investment Management Assessment (C-PIMA) with the assistance of the IMF. The PIMA and C-PIMA has identified critical gaps in the Public Investment Management (PIM) Framework such as the lack of climate-smart planning and climate-related project preparation and implementation. The Government has committed to implementing the recommendations of the assessment with the aim of effectively mainstreaming climate change considerations in the PIM framework.

Other assessments conducted includes an in-depth assessment by the AfDB on the impact of the COVID-19 pandemic on the economy of the Seychelles, focusing especially on the pandemic's effects on the key productive sectors of the economy: fishing, tourism, and manufacturing sectors. The report focuses on the short-run and the medium-run impacts of the COVID-19 pandemic and examines the potential of two different government policy responses in fostering the longer-term recovery and resilience of the Seychelles economy through an exploration of their aggregate and sectoral impacts. The government has committed to undertake policy responses to improve the resilience of the economy to future external shocks through economic diversification.

Systematic Country Diagnostic (SCD)- The World Bank is using the SCD as a tool to inform its country partnership framework. The SCD allows for identification of the most critical constraints and opportunities in accelerating progress toward the goals of ending extreme poverty and promoting shared prosperity in a sustainable manner.

2. **Targeted Financial and Technical Assistance:** In accessing financing and technical assistance from its partners Seychelles do so around the priority areas which guide its national development strategy. The areas are;

- 1 A Modern Public Service

- 2 The Transformative Economy Agenda: "An Inclusive and Sustainable Economic Strategy to Deliver Transformational Change"

- 2.1 The Tourism Sector: A more resilient sector which is better integrated in the economy

- 2.2 The Agricultural Sector: Improved Food Security and Economically Sustainable Import Substitution, and the Creation of Avenues to Encourage more Consumption of Local Products in our Economy

- 2.3 The Fisheries and Blue Economy Sector: The Promotion of Value Addition and the Modernization of Infrastructure
- 2.4 Enhancing the Enablers: The Digital Economy Sector and The Financial Sector
- 3 A Healthy Nation
- 4 Promotion of Law and Order
- 5 A Modern Education System aligned with future needs
- 6 Environment Sustainability and Climate Change Resilience

The recent hike in food prices highlighted the need to promote local food production and achieve food security. In this endeavour, the Government promotes the use of smart agriculture and agro-tourism to optimize the benefits from the agricultural sector.

Global events have also highlighted the need to increase resilience and reduce dependency on specific sectors such as the tourism industry. Government has embarked on a Transformative Economic Agenda (TEA) which focuses on inclusive growth, mainly through economic diversification. The authorities is also finalizing an Industrial Policy and action plan which aims to enhance the capacity of other sectors of the economy and build resilience and adaptability to market shocks while taking into consideration gender and sustainability aspects.

The country has budget support operations from its development partners aimed at (i) strengthening economic governance reforms that will sustain inclusive green growth by reinforcing environmental and climate resilience and mitigating the adverse impact of the COVID-19 pandemic and (ii) to support the government's effort to strengthen medium-term fiscal sustainability; build resilience and strengthening policies for inclusive and sustainable growth.

The IMF recently approved a three-year arrangement for Seychelles under the Extended Fund Facility (EFF), in an amount equivalent to US\$56 million, as well as a three-year arrangement under the Resilience and Sustainability Facility (RSF), in an amount equivalent to US\$46 million.

The new EFF will build on this progress and maintain macroeconomic stability, boost inclusive growth, and strengthen fiscal and monetary policy frameworks. The RSF will support the Governments' agenda to build resilience to climate change, to exploit synergies with other sources of official financing, and to help catalyze further private financing for climate-related investments.

3. **South-South Cooperation:** Seychelles is also increasingly leveraging South-South cooperation as a mechanism for tailored development support. Sharing knowledge, experiences, and resources among developing countries facing similar challenges especially in areas such as climate change adaptation, disaster risk reduction, renewable energy, and digital economy. This is helping to access relevant solutions that have been successfully implemented in similar contexts.
4. **Capacity Development:** Strengthening the capacity of SIDS is a key component of tailored development support. In order to be able to implement policy recommendations as recommended by technical assistance or to successfully deliver on programs strengthening the capacity is a key component of development support.

PART B

IDENTIFYING POLICY PRORITIES IN SIDS FOR THE NEW AGENDA

The SAMOA Pathway contains a number of action areas which require policy formulation, programmes or projects to implemented at national, sub regional and/or regional levels. While SIDS have made a fair amount of progress with actioning these over the last decade, a number of gaps remain. As the international community prepares for the 4th International Conference on SIDS, what are the key priority policies, programmes and projects that are needed to further advance the SIDS development agenda and why? (750 words)

Although each country faces particular challenges in its pursuit of sustainable development, vulnerable groups such as SIDS require special attention in view of their specificities. The review of the SAMOA Pathway thus offers a pivotal opportunity to gather additional support for SIDS to address the climate crisis, explore opportunities for sustainable development and forge effective partnerships.

Amongst many other challenges, SIDS are faced with the increasing risk of natural disasters with high recovery costs that hinder their capacity to invest in climate action and economic resilience. The recent exogenous shocks and the climate crisis has underscored the importance of a financial architecture that is flexible and fit-for-purpose in order to achieve resilient and sustainable outcomes. To this end, an effective global financial system must take into consideration **the current realities of vulnerable states rather than focusing on metrics such as Gross National Income (GNI) per capita** which does not reflect vulnerabilities.

It is thus important to ensure that vulnerable groups are given a fair chance to access adequate support for their socio-economic development. Seychelles' relatively high per capita income led to its graduation to high-income status which in turn resulted in limited access to **concessional financing** and other development assistance. However, this categorization as a high-income country is not reflective of the unique social, environmental and economic development challenges it faces as a SIDS. Evidently, access to financial support is critical for SIDS to address challenges such as susceptibility to external shocks and environmental degradation, which hinder the ability to achieve sustainable development. As such, Seychelles is a strong advocate for the adoption of a Multidimensional Vulnerability Index (MVI) that seeks to revisit and modernize the eligibility criteria for concessionary finance. As the MVI aims to consider the specific vulnerabilities faced by SIDS regardless of relative income levels, it is expected that it will improve SIDS' access to concessional financing. This will complement efforts to build resilience to external shocks while pursuing inclusive growth and sustainable socio-economic development.

As aforementioned, the pandemic has served to exposed the underlying weaknesses of the over-reliance on the tourism industry. The Government has placed emphasis on economic diversification as well as investment in human capital and key economic infrastructure with the overall aim to promote an inclusive, resilient and sustainable economic recovery. However, it is evident that this recovery will be disproportionate on a global scale, with vulnerable countries facing more hurdles, such as lack of human and institutional capacity as well as inadequacy of financial resources. As such, SIDS should be supported in their efforts to explore avenues for **economic diversification** and identify areas where they would have comparative advantages that would enable them to effectively integrate into the global market.

To promote sustainable development in SIDS, it is essential to build on the progress achieved thus far. For instance, it is important to maintain the momentum towards a **green agenda and just energy transition**. This could be facilitated through transfer of knowledge, especially in emerging areas such as green energy.

Seychelles, for instance, is renowned as a champion for its efforts in the areas of environmental protection and conservation as well as climate change adaptation and mitigation. Remarkably, Seychelles was the first country in the world to undertake the debt-for-nature swap and sovereign blue bond highlighting the country's commitment to protect its large ocean space. At the same time, such innovative finance mechanisms enable countries with limited access to finance to create fiscal space to address climate change concerns. The Government works to continue exploring viable innovative climate finance mechanisms that suits the country's debt profile. In such a context, SIDS could be supported with exploring the potential for financing through innovative instruments, especially for climate change related projects, such as blue carbon trading, debt-swaps and sovereign bonds.

Skills- In order to further advance the SIDS development Agenda greater emphasis needs to be put on skills development. This will ensure that the necessary human capital exist in order to take the agenda forward. Policies, projects and programmes cannot be implemented without the right skills set and capacity at the national level.

It is crucial to address challenges and gaps identified, such as weak implementation of the SAMOA Pathway as lack of synergy between international commitments and policies, strategies and activities being implemented at the national level. It is also recognised that while SIDS face similar barriers, there is no one-size-fits-all approach to addressing their challenges given different country contexts.