

SEYCHELLES

Extractive
Industries
Transparency
Initiative

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SEYCHELLES
ANNUAL
PROGRESS
REPORT (APR)

2015

EITI Extractive
Industries
Transparency
Initiative





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Workplan and examples of the impact of EITI in 2015. The Progress Report communicates the efforts that Seychelles has undertaken during the year 2015 to meet and/or maintain compliance with the EITI Requirements. This report also includes the progress made in achieving the objectives set out in the country's Workplan.

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A Message from the Chairman of the Multi-Stakeholder Group

The Seychelles Petroleum Multi-Stakeholder Group has the pleasure to present its Annual Progress Report for the period January to December 2015. EITI implementation and compliance requirements in Seychelles have thus far been a great learning experience especially for members of the MSG. The process dates back to 2013 with the Government of Seychelles indicating its interest in implementing the EITI principles and process of transparency in the petroleum sector in Seychelles. Seychelles became an EITI candidate on the 6th August 2014. In order to ensure Seychelles complies with the EITI Requirement a team of 16 members representing Civil Society, private sector, government and oil companies were nominated to form the Multi-Stakeholder Group.

The Group has worked hard to ensure that Seychelles complies with EITI Requirements. A plan of Activities for the year 2015 was decided upon and implemented. These activities ranged from the hiring of the Independent Administrator to the drafting of the first Seychelles EITI Report, review of the legislative framework to enable EITI implementation and other training programs and high level engagement with other EITI countries.

All these activities as outlined in this report have enabled Seychelles to learn best practices in the implementation of the process towards meeting EITI compliance.

I take this opportunity to thank all the stakeholders who have in one way or another contributed to the realisation of all the 2015 activities and the finalisation of this report. Your assistance has been extremely valuable to the process.

A handwritten signature in blue ink, appearing to read 'Payet'.

Mr. Patrick Payet

Seychelles EITI

ABBREVIATIONS AND ACRONYMS

GOS	Government of Seychelles
WB	World Bank
APR	Annual Progress Report
EITI	Extractive Industries Transparency Initiative
MSG	Seychelles Petroleum Multi-Stakeholder Group/ National Committee/Multi-Stakeholder Group
CEPS	Citizens Engagement Platform Seychelles
MFTBE	Ministry of Finance Trade and the Blue Economy
Mob	Mobile
Tel	Telephone
Grant TF	Grant Trust Fund
MDTF	Multi Donor Trust Fund
EIs	Extractive Industries
RFP	Request for Proposal
CBS	Central Bank of Seychelles
SRC	Seychelles Revenue Commission
CSO	Civil Society Organisation
IA	Independent Administrator
SEITI	Seychelles Extractive Industries Transparency Initiative
TEITI	Tanzania Extractive Industries Transparency Initiative
QCBS	Quality Cost Based Selection
SSS	Single Source Selection
NCS	National Competitive Selection
ICS	Individual Consultant Selection
CQS	Consultants Qualifications Selection
OAG	Office of the Auditor General
TOR	Terms of Reference
GPN	General Procurement Notice
EoI	Expression of Interest

EIs Extractive Industries
OAG Office of the Auditor General

Seychelles EITI Annual Progress Report 2015

INTRODUCTION

The report focuses on the EITI process, the activities delivered, the outcomes/lessons learnt.

In 2013, the Seychelles Government considered the paramount need to enhance transparency and accountability in the extractive industries sector. The Republic of Seychelles officially became an Extractive Industries Transparency Initiative (EITI) Candidate Country on 6th August 2014 joining 45 other countries that have signed up to the EITI Standard. Moving ahead in its EITI implementation, the Seychelles Petroleum Multi Stakeholder Group (MSG) was formed to assist and guide the National Secretariat in the implementation of the activities identified in the Workplan.

In order to fund the implementation of the various activities essential for Seychelles to become EITI compliant, financial assistance was sought from the World Bank and Seychelles received a grant of US\$ 290,000 from the Multi Donor Trust Fund (MDTF).

In addition, during the year 2015, the World Bank (WB):

- (i) agreed to finance the set of activities and timeframe for implementation by the Seychelles National Extractive Industries Transparency Initiative Secretariat (hereafter “Seychelles EITI”);
- (ii) provided Seychelles EITI with the support it needed to procure the consultancies planned under the framework to assist with progress towards EITI compliance;
- (iii) discussed potential additional support that the WB could provide in order to jump start the work and enhance Seychelles capacities to reach EITI compliance as early as possible.

GENERAL ASSESSMENT OF 2015 PERFORMANCE.

The Seychelles Petroleum Multi-Stakeholder Group made significant progress compared to 2014.

The MSG ensured that all of the activities earmarked for implementation during the period of January to December 2015 were realised, by the end of that year.

2015 was a challenging year for Seychelles EITI however significant progress was recorded.

The MSG had only a year to use the grant proceeds and some activities previously earmarked for implementation in 2015 had to be moved to 2016 Workplan in order to take into account the financial and human resources available. However, MSG members remained in constant communication with the National Secretariat, to ensure a smooth process and that the deadlines of the activities set were met.

The Annual Progress Report indicates the activities that were realised or that are still ongoing.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN AND OUTSIDE OF THE WORKPLAN

(AS PER ANNEX 2 IN THE WORKPLAN).

ACTIVITIES IN THE EITI WORKPLAN	OBJECTIVES	TARGETS	PROGRESS UNTIL DECEMBER 2015
<p>1. State institutions understand EITI(World Bank Mission in Seychelles)</p>	<p>-To assist the Multi-Stakeholder Group (MSG) launch the activities under the EITI Trust Fund;</p> <p>-To participate in a workshop for familiarisation of Parliamentarians with the EITI Process and to enhance the Civil Society understanding of EITI matter.</p>	<p>The Mission was carried out from 6th to 10th April 2015.</p>	<p>This activity has been met. In April 2015 an introductory workshop on EITI was organized for the Parliamentarians. In order to build their capacity in the subject matter. Participation of the Members of Parliament was qualified by the World Bank as satisfactory. Parliamentarians requested that the MSG engage more with them throughout the process.</p>
<p>2. Officials from Tanzania and East Timor invited to share their experience on EITI (EITI Mission by East Timor and Tanzania) in Seychelles.)</p>	<p>To share experiences with various stakeholders on EITI in order to improve the engagement of the Civil Society, MSG, private and other sectors.</p>	<p>The Mission was carried out from 14th to 16th September 2015.</p>	<p>The sensitization of over 30 members ranging from the CSO, MSG, private sector, public service and the media.</p>
<p>3. Prepare and publish the first EITI Report</p> <ul style="list-style-type: none"> • Independent Administrator Mission in Seychelles. 	<p>To conduct the first phase of the EITI Report assignment, which consisted of the preliminary analysis and the preparation of the initial reconciliation plan.</p>	<p>The Mission was carried out from 19th to 23rd October 2015.</p>	<p>The report has been completed and published.</p> <p>In line with the 2016 Workplan the Seychelles EITI will disseminate its first report.</p> <p>The dissemination of information will be done through media, press, forums, exhibitions and websites.</p>
<ul style="list-style-type: none"> • Independent Administrator Mission in Seychelles. 	<p>-To conduct the reconciliation and draft the first Seychelles EITI Report for 2013 and 2014.</p> <p>-To conduct training</p>	<p>The Mission was carried out from 14th to 27th November 2015.</p>	<p>The training of the respective entities was undertaken and the template used for the basis of the 2013-2014 report.</p>

	with the reported entities and guide them on how to fill in the reporting template.		
<p>4. Establish Legislation for Seychelles EITI and remove legal barriers to EITI disclosure of payments and receipts(Legal Consultant Mission in Seychelles)</p>	<p>-To conduct workshop and gather more information so as to finalise the report and provide a draft EITI Act for Seychelles to consider.</p>	<p>The Mission was carried out from 23rd to 27th November 2015.</p>	<p>Fair Links, the legal consultant firm, was contracted to review and recommend a legal basis to Seychelles EITI. On 27th November 2015, the legal consultant conducted a workshop in Seychelles, to review and identify the legal instrument needed to support EITI implementation.</p> <p>In December 2015, Fair Links provided a draft EITI Act to the Multi-Stakeholder Group (MSG) and a report for comments and review.</p> <p>This proposed act will also be submitted for review by the Cabinet of Ministers and the Attorney General's office in July 2016.</p>
<p>5. Build stakeholders knowledge about EITI and oil sector issues and revenues.</p> <p>(Consultancy Firm in Seychelles. for Training Mission)</p>	<p>To bring Capacity building on natural resources governance, to Seychelles Extractive Industries Transparency Initiative and its stakeholders.</p>	<p>The Mission was carried out from 27th November to 2nd December 2015.</p>	<p>Ambiente s.c was selected by the Seychelles EITI, to conduct training (capacity building) in November 2015 to Seychelles' MSG, youths, government officials, journalists, Parliamentarians, academics and the Civil Society.</p> <p>This training took place over a two-week period. Unfortunately, due to that event coinciding with the Presidential election, we did not see the expected participation from the Parliamentarians and Youths. The stakeholders, who attended, had the chance to learn quite a lot on the oil sector and EITI in general.</p>

ACTIVITIES REALISED OUTSIDE THE WORKPLAN	OBJECTIVES	STATUS OF IMPLEMENTATION	
<p>6. International EITI Secretariat Mission in Seychelles.</p>	<p>-To familiarise the Country Officer with Seychelles Multi Stakeholder Group (MSG);</p> <p>-To brief the MSG on the current EITI Standard</p>	<p>The Mission was carried out from 2nd to 3rd March 2015.</p>	
<p>7. National Coordinator and Communication Officer workshop in Ghana</p>	<p>25 participants representing 11 countries (Ethiopia, Ghana, Liberia, Malawi, Mozambique, Nigeria, São Tomé e Príncipe, Seychelles, Sierra Leone, Tanzania and Zambia) used the opportunity to exchange knowledge on EITI implementation and how to make it more meaningful and relevant to wider reforms, seek ideas on the validation and strategy consultations, find ways to strengthen implementing countries' participation in the EITI, and share experiences on communications and outreach experiences in the region.</p> <p>Seychelles was being represented by two members of the Seychelles Secretariat</p>	<p>The Mission was carried out in Ghana from 20th to 22nd August 2015.</p> <p>Two members of the Seychelles Secretariat gained knowledge on EITI implementation and how to make it more meaningful and relevant to wider reforms, seek ideas on the validation and strategy consultations, find ways to strengthen implementing countries' participation in the EITI, and share experiences on communications and outreach experiences in the region.</p>	

<p>8. World Bank Mission in Seychelles</p>	<p>The mission team: (i) in collaboration with the Seychelles EITI Secretariat delivered training to relevant senior/ technical staff of PetroSeychelles Ltd and the Ministry of Environment on environmental risk associated with off-shore drilling and the World Bank Group Environmental Safeguards for off-shore petroleum development (ii) Ran a series of workshops meant at familiarizing Journalists, Civil Society Organizations, and Youth with EITI reporting requirements; (iii) joined the kick-off meeting on the preparation of the first EITI report by the Independent Administrator.</p>	<p>The Mission was carried out from 12th to 16th October 2015.</p>
<p>9. Commonwealth Mission in Seychelles</p>	<p>The purpose of this workshop was to provide Civil Society and Non-Governmental organisations with the opportunity to better understand the offshore petroleum industry, the EITI process and the requirements for implementation in Seychelles. A key focus</p>	<p>The Mission was carried out from 16th to 17th November 2015.</p>

	<p>of the workshop was to determine the modalities for these organisations to engage with the petroleum sector, responsible government agencies and the EITI process at the national level.</p>	
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DETAILS OF ACTIVITIES IN AND OUTSIDE OF 2015 WORKPLAN

State Institutions Understand EITI=World Bank/EITI Mission (6th to 10th April 2015).

World Bank Team: Mrs. Ilhem Salamon, the Task Team Leader for Seychelles EITI, at the World Bank was accompanied by Mrs. Hilda Harnack, Consultant on their first official Mission for the year.

Objective: The Mission objective was to help the National Committee (MSG) launch the activities planned under the Extractive Industries Transparency Initiative (EITI), Grant Trust Fund 018936 (Grant TF).

Achievements: During this Mission, the World Bank team provided the Seychelles EITI Committee with the support needed to launch all activities that were required before the publication of the first EITI Report in February, 2016. Both the WB and MSG participated in a workshop to familiarize the Parliamentarians with EITI and inform them about the progress of EITI implementation in the country. In addition, a series of discussions were conducted to enhance the Civil Society understanding of EITI issues.

With petroleum production still some years away, the Seychelles Government is planning to put in place adequate governance structures in preparation for the event that oil is found in commercial quantities. The impact of such an event could be dramatic on the Seychelles economy, as revenues generated through royalties and taxes could be substantial.

MSG and World Bank explained that EITI can help the Government, companies, Civil Society groups, investors, media, and others, to systematically report on, review and assess oil sector context and what companies are paying to the government and what government agencies are receiving. This transparency is a fundamental cornerstone of appropriate sector management and broader good governance.



Officials from Tanzania and East Timor to Share their Experiences on EITI (14th to 16th September 2015).

Objective: In order to improve the engagement of the Civil Society Organisations (CSOs), the Ministry of Finance, Trade and the Blue Economy, on behalf of the MSG, invited some delegates from Tanzania and East Timor to share their experiences on the Extractive Industries Transparency Initiative (EITI) with the various stakeholders.

This took the form of a workshop with various presentations delivered from the Tanzanian, Timorese and the Seychelles officials. They were as follows:

- Seychelles

The Seychelles' presentation provided an overview of the EITI process in Seychelles and of the 'Oil Sector in Seychelles, from when oil development started in 1957.

In addition, a brief overview of Citizens Engagement Platform Seychelles (CEPS) and the Civil Society's perspective of EITI in Seychelles were presented.

- Tanzania

Tanzania is a resource rich country endowed with plenty of minerals and natural gas deposits. The team consisted of representatives from the Tanzanian MSG and reconciler of their 3rd, 5th & 6th reports.

Their presentations focussed on ways of communicating EITI, achievements with the Civil Society Organisations and the challenges faced by Tanzania during the process. The team stressed on the importance of involving the Civil Society Organizations in all EITI activities, as they can help a lot in facilitating discussions with the society.

Since Seychelles was working towards producing its first EITI Report, they advised Seychelles, for the future, to recruit a local independent administrator, as from past experiences, having a local reconciler could facilitate the duration in collecting data and discussions on pertinent aspects of the work.

The team also highlighted their achievements and challenges in implementing EITI.

Achievements:

- In 2012 Civil Society Organisations, despite the diverse nature of their work, developed a criteria and guidelines for nomination of representatives into the TEITI. This provided a good basis for transparent engagement and selection within the sector.
- CSO representatives always add a critical voice during the MSG deliberations thus strengthening oversight and inclusion.
- Several CSO trainings and outreach has been undertaken over the last five (5) years. The trainings and outreach covered several technical aspects ranging from understanding EITI, interpretation of EITI Data as well as overall sector governance.

Challenges faced by TEITI:

a.) Insufficient technical and industry knowledge

To be able to engage effectively within the complex extractive sector it requires good level of understanding on the sector. Since the sector in Tanzania is very recent, CSO and general public are still trying to learn more about how it operates and impacts on their livelihoods and economy. Despite few highly skilled and knowledgeable individuals within CSOs; they require more capacity building in order to obtain the critical mass that can effect meaningful change.

b.) Lack of resources for CSO EITI engagement

There is no mechanism to support CSO work in the EITI process, thereby limiting their effectiveness to only those activities supported by the EITI secretariat. This may in the long term hamper the participation of the CSO effectively in the process including how CSO representatives consult and make collective decisions in the matters before the MSG. It also affects the extent of the public consultation that can be undertaken by individual CSOs.

- East Timor

East Timor is a resource rich country endowed with oil and gas.

The team consisted of MSG representatives and the private sector.

Similar to the Tanzanian delegation the East Timorese highlighted their achievements and challenges in implementing EITI.

Achievements: Same as Tanzania, East Timor informed Seychelles MSG and the Civil Society Organisations that Communicating EITI is very important for the country that chooses to be part of the EITI process.

East Timor had to use media, participate in National and International Exhibitions, use Promotional Materials, TV Adverts and Radio Jingles to win its citizens attention.

They advised Seychelles to finalise its Communication Strategy and set up a National Secretariat with more staff, which Seychelles adopted in its revised Workplan 2015 to 2016.

Challenges: It is not easy to convince a nation, removing the doubts from people's mind was the toughest challenge they faced. The people needed facts on how the oil/gas funds were being utilized and towards what purpose?

Funding was a challenge at the beginning to finance the first EITI report and the activities in their Workplan.

Outcome/recommendation:

- Seychelles EITI and Civil Society assessed the workshop to be very productive and informative.
- They requested that such workshop be organized again, with invitation sent to more people.



Tanzanian team and Seychelles Civil Society attending the workshop





Seychelles EITI Stakeholders at the Workshop



East Timor and Tanzania Delegations Meeting with Seychelles Minister for Finance, Trade and the Blue Economy



East Timor and Tanzania Delegations visiting the Seychelles Petroleum Corporation



Tanzania and East Timor Delegations visit PetroSeychelles

Prepare and publish the first EITI report.

Independent Administrator Selection

The following steps were followed in the selection of the Independent Administrator.

The General Procurement Notice (GPN)

- The Seychelles Secretariat submitted the GPN to the World Bank on 30th April 2015 for clearance.
- World Bank gave its no-objection to the GPN on 1st May 2015.
- The GPN was published on 4th May 2015 on the EITI Website <https://eiti.org/news/call-tender-seychelles-seeks-consulting-services-support-implementation-extractive-industries>
- The same was published on 5th May in both Seychelles Nation and Seychelles Today newspapers and on the World Bank website <http://www.worldbank.org/projects/procurement/noticeoverview?id=OP00032523&lang=en>

The Expression of Interest (Eoi)

- The Eoi was submitted to the World Bank on 30th April 2015 for clearance.
- World Bank gave its no-objection to the Expression of Interest (Eoi) on the 6th May 2015.
- The Eoi was published on 14th May 2015 in the Seychelles Nation and Today Newspapers for a deadline up to the 27th May 2015.
- Nine companies as listed below expressed their interest by e-mail and or courier:

1. Moore Stephens

2. Price Water House Coopers (PwC)
3. Fair Links
4. Cabinet Fiducial Expertise AK
5. Felsoft
6. AH Consulting Ltd
7. Hart Group
8. Resource Consulting Services Limited (RCS Global)
9. Petroleum Regimes Advisory

The Terms of Reference (TOR)

- TOR developed and submitted to the World Bank on 12th May 2015.
- World Bank gave its no-objection to the TOR on 13th May 2015.

The Evaluation Committee comprising of Government, Private Sector and Civil Society representatives was set up to evaluate the expressions received and selected Moore Stephens and a contract for immediate commencement of work was signed on 24th September 2015.

➤ Independent Administrator Mission (19th to 23rd October 2015).

Consultant: The Independent Administrator team, from Moore Stephens, was comprised of: Mr. Rached Malej and Mr. Ben Toorabally.

Objective: The main objective of the mission was to conduct the first phase of their assignment, which consisted of the preliminary analysis and preparing the initial reconciliation plan.

Achievements:

This first phase consisted of the following steps:

- ✓ Kick-off meeting between the Seychelles Ministry of Finance Trade and Blue Economy, the Petroleum MSG and Moore Stephens' Team. The purpose of this meeting was to establish overall expectations, objectives, scope, and deliverables for the assignment. Subsequent meetings of the appointed Independent Administrator with the Secretariat took place for identifying key personnel, organisational structures, relevant documents and data sources.
- ✓ Preliminary analysis consisted of data collection on Extractive Industries, understanding and documenting the size of the Seychelles Petroleum Industry, the petroleum tax system and the payment flows within the petroleum industry as well as the identification of all stakeholders involved. The Independent Administrator gathered and assimilated this information through a documentation review, stakeholder interviews, and visits to Government entities.
- ✓ Review of the reconciliation scope based on the collection of data by Moore Stephens as well as the review of the scoping decisions of the MSG including its proposals on revenues and payments within the scope of EITI, the definition of materiality thresholds and the proposed reconciliation method. The Independent Administrator subsequently drafted recommendations regarding revisions to the scope.

- ✓ Further to MSG's final validation of the scope and materiality thresholds, Moore Stephens designed Reporting Templates that captured all relevant information required from reporting entities for the purpose of the reconciliation exercise.
- **Independent Administrator Mission (14th to 27th November 2015).**

Consultants:

Mr. Ben Toorabally and Mr. Rached Malej from Moore Stephens attended their second EITI Mission as part of the EITI process.

Objective: The Independent Administrator (IA), Moore Stephens met with the MSG during its Mission in Seychelles from the 14th to the 27th November 2015 to conduct the reconciliation and to draft Seychelles first EITI Report for the years 2013 and 2014.

In order to avoid any delays in the reconciliation process, Moore Stephens presented the inception report conclusions to the MSG for review and endorsement.

Then the IA conducted a 2 hour-training workshop with the concerned reporting entities on the 25th November 2015. The workshop aimed to better guide them on how to fill in the Reporting Templates. The entities that were invited were:

- Office of the Auditor General
- SEYPEC
- PetroSeychelles
- Registrar
- Seychelles Revenue Commission (SRC)
- Ministry of Finance, Trade and the Blue Economy (MFTBE)
- SociétéSeychelloised'Investissement (SSI)
- Seychelles Investment Board (SIB)
- Treasury
- Public Enterprise Monitoring Commission (PEMC)

Achievement:

The IA was satisfied with the turnout at the Workshop, organised for reporting entities.

Challenges:

Moore Stephens' Team contacted the reporting stakeholders before the deadline to identify any concerns and to assess whether the oil companies and Government entities would be able to meet the deadline.

The most challenging task was to chase the reporting entities to submit the relevant information, needed to complete the SEITI Reconciliation Report for the years 2013-2014. This was partly attributed to human resource constraint, capacity and the lack of legislation to force reporting entities to comply. Reporting entities also expressed concerns in meeting the deadline for submission of the filled template as they were encountering delays in getting Certification of their accounts from the Auditor General.

Moore Stephens documented the major challenges that Seychelles EITI would have to overcome in the EITI report. These were mainly related to the lack of legal framework enabling the private companies to commit to the reconciliation process, the lack of database of reporting entities within the EITI Secretariat, and the delay in government audit accounts.

Outstanding: At the end of the Mission, two of the reporting Government entities: Ministry of Finance, Trade and the Blue Economy (MFTBE) and the Seychelles Revenue Commission promised to get the Certification of the audited accounts from the Auditor General which was achieved in 2016.



MSG and Independent Administrator at the end of the Mission meeting



Some members of the Seychelles Multi-Stakeholder Group

Establish legislation for Seychelles EITI.

Legal Consultant Selection

The following steps were followed in the selection of the Legal Consultant.

The Expressions of interest (Eoi)

The Eoi was published in both local newspapers: Seychelles Nation and Seychelles Today, on the 9th July 2015 and on the EITI Website.

The Terms of Reference (TOR)

- The Seychelles Secretariat submitted the TOR to the World Bank for approval.
- World Bank provided its no objection to the TOR on the 23rd June 2015.

The Objectives of the consultancy were two-fold:

- Undertake a feasibility assessment on whether establishing the Petroleum MSG as a statutory authority is the best way forward. If yes, recommend the adequate legal framework or instrument and draft the pertinent legislation that would provide autonomy and authority to the Petroleum MSG to promote transparency and accountability in the extractive or natural resources sectors of Seychelles.
- Recommend and draft any amendments to existing legislation that could in any manner hinder the implementation of EITI in Seychelles. The legal framework should ideally aim at incorporating disclosure into government, corporate reporting, and website so that there is a constant link between strengthening government systems and the EITI.

Fair Links was the only lawyer who expressed its interest and was asked to submit its technical and financial proposal for evaluation by the 30th September 2015.

The Evaluation Committee saw that the lawyer had a very good profile and selected Fair Links for the work. The procurement method was changed from National Competitive Selection (NCS) to Individual Consultant Selection (ICS) after consultation with the WB.

Fair Links was contracted on 20th October 2015 and commenced work immediately.

The Deliverables

During the execution of the assignment, the consultant had to work closely with the Petroleum MSG, ensuring that there was a clear understanding by the members of the nature and content of the desired legislation. The National Secretariat provided the consultant with all documentation relevant to the Seychelles EITI.

The end product of the contract was supposed to be a body of law containing the elements deemed necessary by the Petroleum MSG based on the results of the scoping phase and the workshop.

Possible issues covered included, but were not limited to, the following:

- Establishment of the Seychelles-EITI in charge of implementation of transparency and accountability in the extractive or natural resources industries with its own attributions;
- Objectives of the Seychelles-EITI
- Mandate of the Petroleum MSG
- Scope of the Seychelles-EITI
- Management and internal governance

In addition the consultant had to deliver a report about the findings of the consultancy. The Consultant also organized an initial workshop for the Petroleum MSG on the work program for the consultancy, and a second workshop at the time of delivery of the first draft.

➤ **Legal Consultant Mission (23rd to 27th November 2015).**

Consultants: The Mission team from Fair Links consisted of Mrs. Magali Kreitmann and Mr. Anton Mélard De Feuardent.

Objective: Its objective was to conduct a workshop and gather as much information so as to finalise the report and provide a draft EITI Act for Seychelles to adopt. This Act would give sufficient power to the MSG to better implement EITI in Seychelles.

Achievement: The Draft EITI Act and the report were submitted to the Seychelles EITI, but further review will be done by the MSG, Cabinet of Ministers and the Attorney General.

The workshop undertaken by the legal Consultant in Seychelles was successful. Members expressed their satisfaction.

Challenge: Due to timing of the Mission, most CSOs were not available to meet with the Consultant and members found it hard to attend meetings.

Build stakeholders knowledge about EITI and oil sector issues and revenues.

Selection of Consultancy Firm to conduct training.

The following steps were followed in the selection of the Consultancy Firm.

The Expressions of Interest (Eoi)

The Expression of Interest for the Services was published in the local newspapers ('Seychelles Today' on 5th to 6th August and Seychelles Nation on 8th August 2015) for a deadline up to the 14th August.

The same was published on the EITI Website (7th August 2015) for a deadline up to 25th August 2015.

Ten Expressions of Interests were received by email and one out of the lot (Procure Seychelles) was rejected upon late submission of its bid.

The Evaluation Committee was set up and comprised of Government and Civil Society representatives. Eois were evaluated by the following criteria;

- General Professional Experience of the Consultants
- Capability to conduct training/ workshop to Stakeholders
- Capability in providing training materials which will be useful to MSG for future meetings
- Capability in presenting the report to the MSG through a workshop
- Key personnel qualifications and technical experience in the field of the proposed assignment
- Consultants' overall understanding of the EOI and quality of submission.

The procurement method used was Quality and Cost Based Selection (QCBS).

The Evaluation Committee shortlisted six companies to which the request for proposal was addressed.

The Request for Proposal (RFP) was then addressed to the following shortlisted Consultants (in no particular order):

- PETRAD
- MOORE STEPHENS
- COLUMBIA CENTER
- RCS GLOBAL
- CONSORTIUM
- AMBIENTE S.C

Based on the above evaluation criteria, six (6) firms were shortlisted and the Evaluation Committee's recommendations were submitted to the Bank on the 19th September 2015 along with a draft Request for Proposals for the Services, for the commenting and eventual no-objection.

The World Bank's no-objection for the shortlist and RFP (subject to comments being incorporated) was received on the 20th September 2015.

The RFP was issued to shortlisted firms via e-mail on the 21st September 2015 and the deadline for submission to the National Secretariat was on 5th October 2015.

By the 5th October 2015, only 5 technical proposals among 6 companies shortlisted were received. Columbia Center had to retract from the list because the firm was unable to deliver the trainings within the specified time-frame, as their fall season had become completely booked with other events and travel.

They did express their interest in working with Seychelles EITI in the near future. The Committee assessed the technical proposals and ranked the 5 companies.

Since it was QCBS procurement method being followed, Seychelles EITI did not need to request for the no-objection from the World Bank on the Technical Proposal.

On the 22nd October 2015 the Financial Proposals of the 5 firms were opened and evaluated by the Evaluation Committee and Ambiente s.c came out top of the rank after the evaluation of the financial proposal was completed for a cost of USD69, 110.80 to conduct the work.

Based on the financial offers received, the Evaluation Committee applied the formulas as specified in the Request for Proposal (RFP). After both: technical and financial scores were put together, the final scores for each firm were obtained, of which Ambiente s.c, the top ranked, came out, with 90 points.

Ambiente s.c was therefore awarded the contract for the work.

The National Secretariat sent to the World Bank the combined Evaluation Report (technical + financial) for information on the 21st October 2015.

Seychelles EITI then proceeded with contract negotiation with the 1st ranked consultant (Ambiente s.c). Both parties agreed with the terms that were set.

At the end of the negotiation, the National Secretariat sent a draft contract along with the minutes of negotiation to the World Bank for its review and clearance.

- On the 4th November WB provided its no objection to the Contract.
- On the 5th November the Contract was signed and Ambiente s.c was officially contracted.

➤ **Consultancy firm to conduct training Mission (27th November to 2nd December 2015).**

Consultants:

The team consisted of the following consultants:

- Mr. Patrick Longerstae (Petroleum Economist),
- Mr. Tommaso Luzzati (Macroeconomist),
- Mr. Nicola Bertolini (Environmental Economist),
- Mr. Dan Petrescu (EITI Expert).

Objective:

The team from Ambiente s.c was in Seychelles from the 27th November to 2nd December 2015; to provide training sessions and capacity building on Natural Resource Governance, the Extractive Industries (EIs) and the EITI standards for the Republic of Seychelles.

The Beneficiaries were: Government officials, the Seychelles Multi-Stakeholder Group (MSG), Parliamentarians, Civil Society Organisations (CSOs), journalists, academics, Youth.

Given that the initiative was new for the country, the Seychelles Multi-Stakeholder Group (MSG) had not yet developed the tools that would ensure large engagement of the Civil Society organizations and other key stakeholders. It also needed to develop a thorough understanding of how EITI can help the country develop a framework for transparency requirement, which can bring enhanced governance and thus better management of the Extractive Industries (EIs).

Because of this, MSG requested the development and implementation of a Capacity Building Training Programme to build the MSG's and stakeholders' capacities to engage meaningfully on the management of the Extractive Industries (EIs).

Outcome:

- Speakers covered the following topics during the training: Extractive Industries Basics/Extractive Industries and Development/Extractive Industries Legislation and contracts, Resource Governance and Principles, Social and Environmental aspect of extractive industries, EITI and advocacy in the Seychelles.
- Participants judged the quality of the training to be informative and worthwhile.
- Participants and Consultant thought that the Mission could have been longer (3 weeks), so as to attract more participants and help them to better assimilate.
- Participants said that the training increased their understanding of the oil sector and the environmental issues.
- The Consultants did a good job by sharing their expertises with participants, even if a lot of technical words were used, consultants made sure that they were simplified.

Upon completion of their Mission, Consultants submitted:

- A Seychelles EITI manual
- Training Material including power point presentation and participants' material and handouts and Certifications for participants.

International EITI Secretariat Mission in Seychelles (2nd to 3rd March 2016).

➤ EITI Mission (2nd to 3rd March 2015).

Ms. Lydia Kilpi, the Country Officer for Seychelles, at the International Secretariat in Oslo, Norway, met with the Seychelles Petroleum Multi-Stakeholder Group (MSG) and the Civil Society during her Mission in the country from the 2nd to 3rd March 2015.

Objective: The main objective of her visit was to familiarize herself with the MSG and brief the MSG on the current EITI standards.

Achievements: During the Mission, members of the MSG had the chance to go through the EITI Standard for 2013, with the assistance of Ms. Kilpi and work on the finalisation of the Terms of Reference (TOR) for the recruitment of the Independent Administrator.

In addition to the above, the discussions were focussed on specific issues, as stated below:

- The scope of the 1st EITI Report to finalise the ToR for the Independent Administrator.
- The importance of updating the Workplan annually and producing the 2015 Annual Activity Report (AAR/APR) by 1 July.
- Further clarifications on the validation process.
- Clarifications on the Communications and the summary of data template were also briefly discussed.

A checklist of EITI Requirements was presented and discussed with the MSG which concluded that PetroSeychelles together with the MSG will prepare the 'contextual information'. The Independent Administrator was tasked to cover only the revenue reconciliation and discretionary social payments (CSR), and assess the reliability and comprehensiveness of the contextual information. The Terms of Reference (TOR) was to be finalised by the National Secretariat and circulated to the MSG for approval.

It was agreed by the MSG that it was too early to include fisheries in the EITI Report, but the inclusion of a description for environmental and local content regulation was proposed.

[National Coordinator and Communication Officer Workshop in Ghana \(20th to 22nd August 2015\).](#)

The meeting of the National Coordinators and Communication Officers was held in Accra in late August. 25 participants representing 11 countries (Ethiopia, Ghana, Liberia, Malawi, Mozambique, Nigeria, São Tomé e Príncipe, Seychelles, Sierra Leone, Tanzania and Zambia) used the opportunity to exchange knowledge on EITI implementation and how to make it more meaningful and relevant to wider reforms, seek ideas on the validation and strategy consultations, find ways to strengthen implementing countries' participation in the EITI, and share experiences on communications and outreach experiences in the region.

Seychelles was being represented by Mrs. Marie-May Bastienne and Ms. Fatime Kante.



Left to right: Marie-May Bastienne (Seychelles), Zainab Ahmed (Nigeria), Fatime Kante (Seychelles), Mina Horace (Sierra Leone), Catherine Mbatia, Alice Swai (Tanzania)



National Coordinators and Communication Officers in a session with the Ghanaian National Petroleum Company (GNPC) representatives

World Bank Mission (12th to 16th October 2015).

Consultants: A World Bank Mission Team comprising of: Mrs. Ilhem Salamon (Senior Oil and Gas Economist and Task Team Leader) and Mr. Gael Gregoire (Senior Policy Officer, specialized in Environmental Safeguards) was in the country from 12th to 16th October 2015 with the objective of supporting the Seychelles Extractive Industries Transparency Initiative (EITI).

Objective: During the Mission, the team:

- (i) delivered training to relevant senior/ technical staff of PetroSeychelles Ltd and the Ministry of Environment on environmental risk associated with off-shore drilling and the World Bank Group Environmental Safeguards for off-shore petroleum development;
- (ii) participated in a series of workshops meant at familiarizing Journalists, Civil Society Organizations, and Youth with EITI reporting requirements;
- (iii) joined the kick-off meeting on the preparation of the first EITI report by the Independent Administrator.

Achievements: Even if the turnouts from the media/journalist and Civil Society were not at the desired level, the World Bank Team managed to conduct their respective Presentations successfully. The youths participated actively and wanted clarifications on whether oil has been discovered or not in Seychelles.

During the Mission, the World Bank Team met with the Minister for Environment, Energy and Climate Change. This was more of an introductory meeting, by which the Minister expressed the willingness of being part of this initiative.

The Mission ended with training for the senior and technical staff of Petro Seychelles and from the Ministry of Environment, Energy and Climate Change. Participants were better informed of offshore oil and gas development activities and ways to manage environmental risk.



Mrs. Salamon during her Presentation with the Youths



Mr. Gael Gregoire during his Presentation with the Youths



Meeting with Mr. Didier Dogley, Minister for Environment, Energy and Climate Change



Meeting with local journalists/media houses



Training with Technical Staff and Senior officers from the Ministry of Environment, Energy and Climate Change and PetroSeychelles



Mr. Gael Gregoire during his presentation with the Technical and Senior staff



Commonwealth Mission (16th to 17th November 2015).

The Commonwealth organised a two-day workshop for Civil Society Organisations and Non Governmental Organisations from the 16th to 17th November 2015, held at the Care House locals.

Consultants:

- Ms. Naadira Ogeer, Economic Adviser-Natural Resources, at Oceans and Natural Resources Advisory Division and
- Mr. Julian Roberts, Adviser Ocean Governance at Oceans and Natural Resources Advisory Division) facilitated the two-day sessions.

Objective: The purpose of that workshop was to provide Civil Society Organisations with the opportunity to better understand the offshore petroleum industry, the EITI process and the requirements for implementation in Seychelles. A key focus of the workshop was to determine the modalities for these organisations to engage with the petroleum sector, responsible government agencies and the EITI process at the national level.

Achievements: The key outcomes from the workshop were:

- a. Participants understood the nature of the international petroleum sector, the way it operates, possible future development scenarios and what these mean for Seychelles;
- b. Participants understood the environmental and safety risks associated with upstream petroleum operations in Seychelles and best practice in managing these;
- c. Participants understood the types of revenue streams from developing the upstream petroleum sector in Seychelles, including mechanisms for transparent management of those revenue streams;
- d. Participants understood the Extractive Industries Transparency Initiative (EITI) and the requirements that Seychelles are expected to meet to become a Compliant Country;
- e. Participants developed an understanding of how CSOs can engage with the petroleum sector and government agencies responsible for managing this sector; and
- e. Participants discussed key concerns with the future development of the petroleum sector in Seychelles and how these can be addressed.

The workshop included formal background presentations to provide context for subsequent discussions, a limited amount of group-based workshop activities and a general discussion among participants on the way forward.

The workshop was attended by a wide range of participants from the following organisations/institutions:

- Citizens Engagement Platform Seychelles (CEPS)
- Life and Water Seychelles
- Terrestrial Restoration Action Society of Seychelles (TRASS)
- Association Internationale des Étudiants en Sciences Économiques et Commerciales (AIESEC)
- National Consumers Forum (NATCOF)
- British High Commission

- Ministry of Finance, Trade and the Blue Economy
- Petro Seychelles
- Central Bank of Seychelles



Mr. Julian Robert and Mrs. Naadira Ogeer during their Presentation

ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

The table below shows assessment of progress in meeting and/or maintaining compliance with each of the EITI requirements.

Requirements:	Progress:
1. Revenue management and expenditure (Requirement 5.3)	Not applicable at this point
2. Transportation Payments (Requirement 4.4)	Not applicable at this point
3. Discretionary Social Expenditures (Requirement 6.1)	Not applicable at this point.
4. Ad-Hoc Sub-National Transfers (Requirement 5.2)	Not applicable at this point
5. Beneficial Ownership (Requirement 2.5)	<p>There are no obligations or restrictions on the disclosure of beneficial ownership information by the Government of Seychelles, state-owned enterprises and private companies under the current Petroleum Legislation. Private operators in the Seychelles oil and gas sector are wholly owned by listed companies which would not be subject to beneficial ownership disclosure.</p> <p>Afren Plc and WHL Energy Ltd, which owns Petroquest International, are publicly listed companies.</p> <p>MSG is of the view that extractive companies should submit beneficial ownership declarations and will be undertaking the necessary internal procedures to prepare for implementation of this requirement.</p> <p>The Petroleum Mining Act 1976 states that:” Every application, and any information furnished therewith, shall be</p>
6. Contracts (Requirement 2.4)	

	<p>submitted by the Minister for Finance of Seychelles to the Government for final decision and all such information shall be treated as confidential”. Moreover, signed contracts are not currently published due to the confidentiality clauses in Oil and Gas contracts.</p> <p>While contract transparency is encouraged, this is not required by the EITI Standard (version 2013) and remains a topic for MSG discussion.</p> <p>Disclosure of petroleum contracts would be relevant for EITI when it involves payments or benefits to the Government or involves the State’s participation. The Government may encounter this issue in seeking waivers of the confidentiality provisions in the petroleum contracts and would need to consult with the operators to clarify their disclosure obligations with respect to such information.</p> <p>Not yet finalized.</p>
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OVERVIEW OF THE MULTI-STAKEHOLDER GROUP’S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE

The table below shows multi-stakeholder group’s responses to and progress made in addressing the recommendations from reconciliation in accordance with requirement 7.3.

Recommendations:	Status/progress:
<p><u>Oil and Gas Contract Disclosure</u></p> <p>Disclosure of petroleum contracts would be relevant for EITI when it involves payments or benefits to the Government or involves the State’s participation.</p> <p>The Government may encounter this issue in seeking waivers of the confidentiality provisions in the petroleum contracts and would need to consult with the operators to clarify their disclosure</p>	<p>MSG and PetroSeychelles have no objection to this and are working with the legal advisers in 2016 to propose amendments to the laws to satisfy this request, but might not be able to amend existing agreements.</p>

<p>obligations with respect to such information.</p> <p>Since the Government of Seychelles has started the implementation of the EITI process, an important follow-up step would be to introduce contract waivers to these agreements in order to address the confidentiality restrictions in the petroleum agreements and to seek participation of Oil and Gas companies as part of MSG.</p>	
<p><u>Comprehensiveness of EITI Scope</u></p> <p>EITI process includes all extractive industries as defined by the Standard, this should include the mining sector and mineral water extracted from boreholes, tourism and fisheries, in the scope of future EITI reports.</p> <p>MSG should also endeavour to improve MSG’s TOR as well as that of the Independent Administrator by altering its name from “Petroleum MSG” to “MSG” and by widening the Workplan and the EITI activities to include all extractive sectors and by removing any limitations of information access to the oil and gas sector.</p> <p>Considering the possibility of extending the scope to primary sectors such as the fisheries sector, given its importance to the economy.</p>	<p>MSG has no objection to this recommendation. However, members think that this being a policy decision will have to be enforced by the relevant Ministries.</p> <p>MSG has provided comments to the current TOR and altering its name from “Petroleum MSG” to “Transparency MSG” or “MSG”. Further adjustments will be done during the year 2016.</p> <p>MSG is agreeable to this recommendation and the same procedure will be adopted for the Independent Administrator during 2016.</p> <p>MSG is agreeable and has taken note of this recommendation. This is currently being further discussed at a national level; given Seychelles’ parallel engagement towards the FITI process.</p>
<p><u>Fiscal regime for State Owned Enterprises</u></p> <p>The legislation governing the tax regime for State Owned Enterprises is updated to leave no ambiguity with regards to the taxes applicable and exemptions to newly created entities.</p>	<p>This recommendation is still under consideration by the MSG.</p> <p>As it has policy implications, MSG needs to further consult with the Ministry of Finance.</p>
<p><u>Lack of formalization with regards to governance and management</u></p> <p>All decisions of the Seychelles MSG are made official and are systematically documented in the minutes.</p> <p>These minutes should be signed by all members in order to endorse those decisions.</p> <p>MSG should also appoint a Head of Secretariat</p>	<p>All minutes are always signed and documented by the National Secretariat.</p> <p>The official appointment of the Head of Secretariat is still pending, but this activity has been included in the Seychelles’ EITI Workplan for the year 2016.</p>

officially.	
<p><u>Lack of standard financial reporting framework</u></p> <p>In order to improve comparability and usefulness of information, it was recommended that financial statements are made to follow a standard framework. This can only be achieved if the Ministry of Finance impose such rules to SOEs.</p>	<p>MSG will discuss about the feasibility of this recommendation with relevant parties before taking a final decision as it moves forward with the EITI process.</p>
<p><u>Regulation and engagement of stakeholders with EITI Seychelles</u></p> <p>Seychelles EITI Secretariat puts in place the legal framework enforcing sanctions against parties which fail to cooperate with the EITI reconciliation process requirements. This measure would encourage more participants to assist and work alongside the Seychelles EITI Secretariat's endeavours in raising awareness regarding the importance of the reconciliation process. This legal framework may include setting up an EITI Act or signing a memorandum of understanding with a view of obtaining firm commitments from extractive companies to disclose information required for the EITI process in Seychelles.</p>	<p>Upon completion of its Mission in Seychelles, in December 2015, the Legal Consultant from Fair Links submitted a draft EITI Act to the MSG for review and additional comments.</p> <p>This will be sent to Cabinet and the Attorney General's office for further review during Q3 to Q4 2016.</p> <p>MSG thinks that once this is achieved, it will facilitate their work.</p>
<p>An environmental fund may enable the Authority responsible for the environment to follow the activities of extractive companies in order to ensure that safety standards and procedures are properly implemented within the exploration and exploitation areas. Such fund may also be used to recover the administrative costs of the Environmental Impact Assessments and to develop methods and projects to protect living resources of the sea, prevent pollution, water contamination: provide for safe disposal of waste, especially of drill cuttings and mud.</p>	<p>No position has been taken yet by the MSG. As it has policy implications, MSG might need to further consult with the Ministry of Finance.</p>
<p><u>MSG Communication</u></p> <p>MSG's Workplan includes a proven and practical Action Plan in order to create awareness about the EITI Programme in Seychelles.</p>	<p>This Activity is ongoing and should be completed in 2016. A local consultant is assisting the MSG finalise its Communication Strategy, and accompanying Action Plan.</p>

<p><u>Lack of skilled resources at government level</u></p> <p>Seychelles Revenue Commission and PetroSeychelles should ensure that both technical and financial capacities exist in order to be able to implement spot-checks and verification of companies. Part of their respective revenues may be allocated to assessment purposes as well as a capacity building program and training on tax verification for key officials.</p>	<p>Human Resource and capacity constraint is a challenge in all sectors. MSG has taken note of this recommendation and will be discussing further on the way forward.</p>
<p><u>Incomplete EITI Database</u></p> <p>We recommend that, in the first instance, the Secretariat should update its database following this reconciliation exercise. The Secretariat should then liaise with all relevant Government Entities to ensure it obtains relevant information regularly and updates its database accordingly. To this end, the IA believes it is vital that any new entrants to the Oil and gas sector are registered with the EITI Secretariat as part of the process, as they obtain their license or agreement. A review with PetroSeychelles of the list of extractive is also recommended.</p> <p>Each extractive company and Government Entity previously included in the reconciliation work must appoint a focal point to take responsibility for comprehensive EITI reporting and the company should update and notify the Secretariat of the name, position and contact details of that focal person.</p>	<p>The importance of accurate data and its appropriate recording is duly recognized. The Secretariat with the guidance of the MSG will be reviewing this recommendation further and coming up with possible way forward to address this weakness.</p>
<p><u>Government Audit</u></p> <p>MSG arranges for a timely request to be made to OAG in order that the latter is in a position to plan and to give its opinion on the reporting template for the 2013/2014 reconciliation.</p> <p>Also recommend for the future that OAG should be invited to the workshop during which the templates and the reporting guidelines are presented.</p> <p>Further recommend that OAG provides a letter of confirmation on the accuracy of the EITI</p>	<p>MSG will ensure that the OAG is given sufficient notice to enable proper planning and delivery of opinion on reporting templates. The MSG also concurred that the OAG should be more involved in the EITI process.</p> <p>At the time of this report the OAG has provided the pending certification of the audited accounts to both: Ministry of Finance and Seychelles Revenue Commission.</p>

<p>declarations with audited government accounts.</p>	
<p><u>Private and State Owned Enterprises Audit</u></p> <p>All extractive companies comply with this practice and ensure that their auditors submit an opinion on the data provided in the reporting templates. Prior to the start of the reconciliation phase, MSG should inform these companies of this practice and encourage that their auditors make the necessary certification, despite the additional costs that it may bear.</p> <p>All information stipulated by the EITI Standard is included in the Licenses register in order to ensure that all records are kept up to date. This would then allow reports of all licensed operators, with relevant details, to be easily generated for EITI and other purposes. An online cadastral system should also be made available to the public, which should include information on coordinates of concessions as well as fees paid.</p>	<p>MSG has taken note of this recommendation and will be discussing further on the way forward.</p>

SPECIFIC STRENGTHS OR WEAKNESSES IDENTIFIED IN THE EITI PROCESS

Weaknesses

- Members of the MSG need more capacity building for the purposes of discussing technical issues at the MSG level.
- Some members have attended one or two meetings with others not having participated in the MSG meetings during 2015 (the international oil companies). The absence of key representatives in these meetings has limited the MSG's ability to effectively address and engage on the spectrum of EITI issues and requirements as they pertain to the MSG's context.
- **Lack of EITI Database in Seychelles EITI**

Since SEITI Secretariat does not have a comprehensive database of all extractive companies in Seychelles, it is therefore difficult to contact extractive companies as no communication can be made. This also hinders data collection process during the preparation of EITI reconciliation reports.

- **Procurement delays**

SEITI activities sometimes are delayed, due to limited capacity of procurement unit under the Ministry of Finance, Trade and the Blue Economy. This hinders the implementation of SEITI activities with specific deadlines.

Strengths

- The discussion at the MSG meetings has improved engagement and information sharing between stakeholders.
- The EITI has also improved communication and information sharing between Government agencies.

TOTAL COSTS OF IMPLEMENTATION

The source of funding for the EITI implementation came from the Multi Donor Trust Fund (MDTF) Grant from the World Bank of an amount of **US\$290,000 and 11,100SR/-, from the Seychelles Government (renting of ICCS and Care House).**

Reaching the end of the year 2015, only an amount of **US\$192,209.59** was used for implementation of the activities under the approved procurement plan by the World Bank.

As per World Bank's procedures the remaining unused funds will have to be returned to the World Bank as no extension was granted for the usage of the remaining funds.

USES OF FUND BY PROJECT ACTIVITY

	Original Plan to Completion			Progress to date		Comments deliverables and status
	Cost	Start date	Completion Date	Actual Cost	% of Completion	
Project Component/Activity/Output	USD			USD		
1. Consultancy to organize Workshops Provide Trainings (Ambiente s.c)	175,000.00	5 th November 2015	31 st December 2015	69,110.80	100%	Completed Final report submitted
2. Sharing of experience on EITI	25,000.00	14 th September 2015	16 th September 2015	17,998.79	100%	Completed workshop held on 14 th and 16 th September 2015
3. Consultant to prepare EITI Report (Moore Stephens LLP)	50,000.00	11 th October 2015	31 st December 2015	49,800.00	100%	Completed Final Report submitted
4. Consultant to draft amendments to legislation (Fair Links)	40,000.00	20 th October 2015	31 st December 2015	52,300.00	100%	Completed Final Report Submitted
5. Audit	3,000.00	29 th April 2016	30 th June 2016	3,000.00	On going	Transfer to suspense account to be paid to Auditor General's Office upon completion of the audit
TOTAL	293,000.00 (the grant received amounted to 290,000.00)			192,209.59		

ADDITIONAL COMMENTS

The Seychelles Petroleum Multi-Stakeholder Group is looking forward to:

- produce a Second EITI Report for the year 2015
- nominate the Head of Secretariat/members of the MSG
- work towards bringing a legal basis to Seychelles EITI
- dissemination the results of EITI Report on the three main islands
- finalise the communication strategy with its Action Plan
- organize a feasibility study for revenue management
- organize a study trip for MSG members

HAS THIS ACTIVITY REPORT BEEN DISCUSSED BEYOND THE MSG?

MSG members and its constituents, World Bank and the EITI Secretariat have reviewed and provided comments to this report.

DETAILS OF MEMBERSHIP OF THE MSG DURING THE PERIOD 2015

Seychelles Petroleum Multi-Stakeholder (MSG) being represented by 14 members (since June 2015, as 2 representatives from the Oil Companies: Afren and WHL left the Committee) and 1 additional member in 2015, from the government, Civil Society, Oil Company and the private sector, attended 7 meetings on the status of the EITI process.

Below are the contact details of members of the Seychelles Petroleum Multi-Stakeholder Group for the year 2015 (NB: some MSG members have been replaced by their constituency and modifications were made to some institutions names).

ANNEX

ANNEX 1

Name	Title	Organisation	Contact details (Phone & Email)
Mr. Patrick Payet	Chair of the Seychelles Multi-Stakeholder Group/ Principal Secretary for Finance and Trade	Ministry of Finance, Trade & the Blue Economy (MFTBE)	2 nd Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel:+ (248) 4382000 Mob: + (248) 2723766 Email: psf@finance.gov.sc
Ms. Caroline Abel	Governor of the Central Bank of Seychelles	Central Bank of Seychelles	P.O. Box 701 Victoria, Mahe Seychelles Tel: + (248) 4282001 Fax: + (248) 4226035 Mob: + (248) 2511090 Email: governor@cbs.sc Website: www.cbs.sc

Mr. Eddy R. Belle	Chief Executive Officer	PetroSeychelles, Ltd.	1 st Floor SEYPEC Building, New Port P.O. Box 230, Victoria, Mahe, Seychelles Tel: + (248) 4324422 Fax:+ (248) 4324421 Mob: + (248) 2526232 Email: e.belle@petroseychelles.com
Ms. Rebecca Loustau Lalanne	Principal Secretary for the Blue Economy	Ministry of Finance Trade & the Blue Economy (MFTBE)	2 nd Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel:+ (248) 4382000 Mob: + (248) 2728838 Email: psbe@finance.gov.sc
Ms. Georgette Capricieuse	Acting Revenue Commissioner	Seychelles Revenue Commission (SRC)	P.O. Box 50 Victoria, Mahe Seychelles Tel:+ (248) 4293701 Mob:+ (248) 2723530 Email: georgette.capricieuse@src.gov.sc

Ms. Aurore Arcambal	Consultant	Ministry of Finance Trade & the Blue Economy (MFTBE)	2 nd Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel: (+248) 4 382000 Email: aarcambal@finance.gov.sc
Ms. Alexandra Madeleine	Assistant Principal State Counsel	Department of Legal Affairs	Department of Legal Affairs P.O. Box 58 National House Seychelles Tel: + (248) 4 383 100 Fax: + (248) 4 224 913 Email: alexandra.madeleine@gov.sc
Ms. Doreen Bradburn	Corporate Manager	Public Utility Company (PUC)	PUC P.O. Box: 1496 Roche Caiman Email: bradburndoreen@gmail.com

Mr. Oliver Bastienne	Country Manager	Ernst & Young (Seychelles) Limited	Laximan House Castor Road, English River P.O. Box 1289 Victoria, Mahe Tel: + (248) 4224889 Fax: + (248) 4325522 Mob: + (248) 2727743 Email: olivier.bastienne@sc.ey.com
Mrs. Veronique Bonnelame	Chief Executive Officer	Citizens Engagement Platform Seychelles (CEPS)	CEPS Orion Mall P.O. Box 885 Victoria, Mahe Tel: + (248) 4325550 Fax : + (248) 4325551 Mob: + (248) 2521193 Email: ceo@lungos.sc
<u>Replaced by:</u> Mrs. Giovanna Neves	Chair of Life and Water Seychelles	Life and Water Seychelles (Environment Non Governmental Organization- NGO)	<u>Postal Address</u> c/- I. Anacoura Mont Buxton Tel: + (248) 2505551 Email: giovana@blyssbusiness.com

Mrs. Marie-Thérèse Purvis	Commissioner for Environment and Natural Resources	Citizens Engagement Platform Seychelles (CEPS)	<p>CEPS Orion Mall P.O. Box 885 Victoria, Mahe Seychelles Mob: + (248) 2589001 Email: purvismt@gmail.com</p> <p>OR</p> <p>P.O. Box 3017 Anse Royale Mahe, Seychelles</p>
Mrs. Germaine Michaud	Commissioner Socio-Economic	Citizens Engagement Platform Seychelles (CEPS)	<p><u>Postal Address</u> CEPS P.O Box 885 Victoria, Mahe Republic of Seychelles</p> <p><u>Physical Address</u> Orion Mall Victoria Tel: + (248) 4325550/4325552 Fax: + (248) 4325551 Email: info@ceps.sc</p> <p>Mob: + (248) 2719719 Email: germaine@intelvision.net</p>

Mr. Jude Fred	Commissioner Faith-Based Organisations	Citizens Engagement Platform Seychelles (CEPS)	Postal Address P.O Box 885 Victoria, Mahe Republic of Seychelles Tel: + (248) 4325550/4325552 Fax: + (248) 4325551 Email: info@ceps.sc Tel: + (248) 2610940 Email: judefred@yahoo.com
Ms. Sharon Gerry	Senior Legal Officer	Ministry of Environment, Energy and Climate Energy	Botanical Gardens Mont-Fleuri Tel: + (248) 2724900 Email: sgerry@env.gov.sc
ADDITIONAL STAKEHOLDERS			
Ms. Fatime Kante	Economist/ EITI Coordinator	Ministry of Finance Trade & the Blue Economy (MFTBE)	1 st Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel: + (248) 4382109 Mob : + (248) 2814763 Email: fatime.kante@finance.gov.sc

ANNEX 2

SEYCHELLES PETROLEUM MSG WORKPLAN 2014-2016

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
	OBJECTIVE 1. SEYCHELLES ENDORSES AND BECOMES AN EITI CANDIDATE COUNTRY									Complied
	OBJECTIVE 2. ADOPT AN ACT FOR TRANSPARENCY TO INSTITUTIONALIZE EITI							52,300		
7	Formally enact the Seychelles Transparency Multi-Stakeholder Group Act	Transparency MSG needs to have legal authority to implement EITI	Align legislation to allow full disclosure of information regarding the extractive industries.	MSG's expected timeframe by the end of December 2016: <ul style="list-style-type: none"> - for obtaining Cabinet Approval - for drafting by the AGO's office - submission of the Bill to the National Assembly for voting - formalities to bring the Act into force (within the week which follows 		Removal of legal barriers to EITI disclosure of payments and receipts	-Full transparency of payments and receipts from extractive industries guaranteed			Ongoing

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
				approval by the National Assembly)						
7.1	Establish Legislation for Seychelles EITI.			Q4 2016 to Q2 2017				52,300usd		Ongoing
8			Formally appoint the MSG Chair	September to December 2016						Ongoing
8.1			Formally appoint the MSG members	September to December 2016						Ongoing
9	Set up of National Secretariat		Formally appoint the Head of the Secretariat	September to December 2016						Ongoing
10	Include Fisheries in MSG TORs		Draft initial actions to formalize FITI	Q4 2016						Ongoing
11	Meet with SRC to discuss actions to be taken to adjust legislation according to recommendations of consultants.		Ensure that there is no ambiguity with regards to the taxes applicable and exemptions to newly created entities	Q3 to Q4 2016						Ongoing

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
			OBJECTIVE 3. PRUDENT USE OF OIL REVENUES FOR SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION							
12	3.1 Feasibility study for a revenue management mechanism	Oil may not be available in commercial quantities.	a. Request WB EI-TAF, CFTC, or other source of financing to undertake a feasibility study.	Q2 2017	MSG	Draft feasibility study & proposed legislation.	Draft legislation approved by Ministry of Finance.			Ongoing
13			b. Organize workshop about countries' experience in coordination with donors.	Q3 2017						
14			c. Draft TORs and hire consultant to do the feasibility study d. Organize 2 workshops by consultant. One on the initial findings and one to discuss draft report. Actively engage	Q3 2017 Initial draft by Q4 2016						

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
			government.	Second draft by Q4 2016						
15	Understand the implications of oil exploration for sustainable development of a small multiple island state	Ecosystem destruction, overwhelming impact on fragile environment.	a. Undertake an in-depth study of the implications of oil extraction for sustainable development in a SIDS. b. Seek other donor financing. c. Consultant TORs and hiring. d. Initial report & workshop e. Final Report & workshop f. Seek other donor financing	Q2 2017	MSG	Report on the implications of oil extraction for the sustainable development of Seychelles.	Increased public awareness of the implications of oil extraction in Seychelles.			Ongoing
OBJECTIVE 4. BUILD SEYCHELLES MSG CAPACITY TO IMPLEMENT, COMMUNICATE AND MONITOR EITI								87,109.59		
16	Build stakeholders knowledge about EITI and oil sector		Identify stakeholders needs and develop formal and informal capacity building program	November to December 2016	MSG chair			69,110.80		Complied

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
17	issues and revenues	Interest of Committee members in learning.	Workshops for MSG a. Legal framework and fiscal regime of the Seychelles oil sector b. Model Agreement c. Technical aspects of the oil industry x 2 d. Oil industry contracts and negotiation e. EITI Report f. Validation	November 2014 Feb. 2015 March 2015& July 2015 October 2015 Nov. 2015 –March 2016	EITI Chair and: a. Revenue Commission &PetroSeychelles b. PetroSeychelles c. Oil company d. Expert e. & f. EITI Secretariat	Companies show their commitment with Seychelles EITI MSG able to engage in informed debate and take informed decisions regarding the oil sector			Complied	
18			Review and update scoping report. Complement contextual information as required by scope of proposed objectives...	Aug-September 2016	Depending on subject, CSO, Government agencies, PetroSeychelles or outsource.	MSG has the necessary elements to take decisions regarding the scope of the EITI Report	Scope of the EITI Report defined			Ongoing

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	

19			a. Formal training for 5 MSG members in Oslo, Norway (Study Trip) b. 2 guest speakers in areas to be specified	Q42016 to Q2 2017		Acquired knowledge of oil sector and of EITI Standard	No. of Civil Society organizations, academia & media that attended the training sessions.			Ongoing
20			Exchanges with implementing countries to promote knowledge sharing. a. 2 coordinators of EITI countries. (East- Timor and Tanzania Delegations)	September 2015		Learn from the lessons learned of other countries		17,998.79		Complied

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
21	4.2 Public awareness raising & sharing of information	Interest of other stakeholders to learn	Awareness workshops in 3 main islands including key stakeholder, including academia and media	Q4 2016 to Q4 2017	MSG	Civil Society, academia, and media understand the EITI.	No. of MSG-organized public debates.			Ongoing
22		Perception of population that oil has been discovered	Organize community consultation forum to manage expectations of the population regarding oil production	End Q4 2016 to Q1 2017	MSG and World Bank	Forum organized	No. of CSO and other organizations attending consultation			Ongoing
23	4.3 State institutions understand EITI		Organize briefing session for parliamentarians on EITI and MSG achievements.	-Q2 in 2015 (Met) -Another session in Q4 in 2016 with the new Assembly	MSG	Parliamentarians understand EITI	No of participants attending the session.			Complied in 2015/ but ongoing in Q4 2016
24	4.4 Raise MSG awareness of environmental implications of oil exploration		Engage Ministry of Environment in capacity building workshops on environmental laws and regulations applied to oil exploration.	Q2 2017	MSG Chair and Ministry of the Environment, EITI Coordinator	MSG able to determine adequacy of environmental legislation				Ongoing

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25	4.5 Specific Civil Society initiatives in support of transparency /EITI	Interest by civil society in pursuing small transparency projects	a. Evaluate project proposals by Civil Society. b. Monitor implementation of small initiatives	October to November 2016	MSG, EITI Coordinator					Ongoing
OBJECTIVE 5. RECONCILE OIL PAYMENTS AND RECEIPTS AND PUBLISH AND DISSEMINATE THE EITI REPORT								49,800		
26	5.1 Prepare and publish the first EITI Report		Issue TORs for independent Administrator and develop initial data templates	May 2015	Committee	Scope of EITI report includes: a. Beneficial ownership b. PetroSeychelles expenditures c. Discretionary social expenditure d. Environmental legislation e. Area rentals & contribution to education	–Better scrutiny by citizens of oil revenue flows from the oil industry –Transparency Index of TI improved	49,800		Complied
27			Award contract for 2013 - 2014 EITI Report. Independent Administrator to validate contextual information and reconcile revenue data.	July 2015	MSG Chair					Complied
28			Formal submission of EITI Report for evaluation by EITI Secretariat	December 2016, The SEITI Reconciliation Report was officially published on 6 th	Minister of Finance					Complied

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
				February 2016)						
29	5.2 Disseminate the results of the EITI Report		Prepare agenda of activities to communicate the EITI and the results of the EITI Report to various interested groups.	September to October 2016	MSG	Report posted on webpage	No of televised roundtables; radio talk shows, other means			Ongoing
30	Independent Administrator Recruitment to draft EITI Report 2015			September to December 2016						Ongoing
31	Establish efficient Licensing registry		Discuss with relevant agencies the steps necessary to establish an online cadastral system.	April to September 2017		Online cadastral system established	Public has access to licensing information			Ongoing
32	Beneficial Ownership		The EITI Standard states that "By 1 January 2017, the	July 2016 to January 2017 (the Roadmap should be finalised by						Ongoing

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
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	Roadmap		multi-stakeholder group publishes a roadmap for disclosing beneficial ownership information in accordance with clauses (c)-(f) below. The MSG will determine all milestones and deadlines in the roadmap, and the MSG will evaluate implementation of the roadmap as part of the MSG's annual activity report" (Requirement 2.5.b.ii).	end of November 2016 and submitted to Cabinet 1 st week of December 2016 for review)						
OBJECTIVE 6. VALIDATE THE IMPLEMENTATION OF SEYCHELLES EITI WITH ALL REQUIREMENTS MET										
31	6.1 Successful Validation		Assess the choice of validators proposed by EITI Secretariat and select the most	Q4 2016	MSG	– Validator recruited by EITI Secretariat	Successful Validation of the			Ongoing

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
			qualified.				EITI process in Seychelles by the EITI			
32	Inability to present adequate documentation to show meaningful progress		Validator visits country, meets stakeholders.	One month Q4 2016 Within 2.5 years of becoming a candidate. By 6 Feb. 2017	MSG Chair	Initial Validation Report	International Board and award of Compliant Country Status			
33			Validator submits draft Validation Report to the MSG and receives comments	Q1 2017	MSG	MSG comments and clarifies outstanding issues related to EITI implementation				
34			Final Validation Report sent by the Minister to the International EITI Validation Committee for comments	Q2 2017	Validator	Committee has the opportunity to answer and provide further clarification on issues arising during Validation				

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	ASSIGNED ENTITY/ STAKEHOLDER GROUP	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
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35			Minister submits final Validation Report to the EITI International Board	Q2 2017		Board evaluates the Report and decides whether or not to award EITI Compliant Country status.				
36	Audit of grant							3,000		Ongoing 29 th April to 30 th June 2016
							TOTAL	192,209.59		

Approved by MSG:



Date: 1st July 2016



