



**SEYCHELLES EITI
ANNUAL ACTIVITY REPORT
FOR
JANUARY TO DECEMBER 2014**

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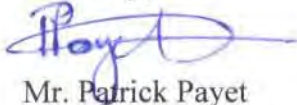
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A Message from the Chairman of the Multi-Stakeholder Group

The Seychelles Petroleum Multi-Stakeholder became an Extractive Industries Transparency Initiative (EITI) Candidate on 6th August 2014.

The MSG is pleased to present its Annual Activity Report for the period of August to December 2014.

Sincerely,



Mr. Patrick Payet

Seychelles EITI

ABBREVIATIONS AND ACRONYMS

GOS	Government of Seychelles
EITI	Extractive Industries Transparency Initiative
MSG	Petroleum Multi-Stakeholder Group
CSO	Civil Society Organizations
EIs	Extractive Industries
LUNGOS	Liaison Unit for Non-Governmental Organizations
CEPS	Citizen Engagement Platform Seychelles
MFTBE	Ministry of Finance Trade and Blue Economy
MFTI	Ministry of Finance Trade and Investment
Mob	Mobile
Tel	Telephone

INTRODUCTION

In its endeavour to strengthen transparency in the management of the extractive industries and the financial reporting of oil revenues, the Government of Seychelles (GoS) applied for Extractive Industries Transparency Initiative (EITI) candidacy on June 12, 2014. On August 6, 2014, Seychelles was admitted as an EITI Candidate Country after successfully completing the four "sign-up" steps, including the development of a work plan, which was validated by the EITI Board. The work plan indicates that Seychelles will present its first EITI report by February 6, 2016 with the objective of becoming EITI compliant by February 6, 2017.

Since joining EITI in 2014, Seychelles moved forward by fostering transparency and accountability in the extractive sector. The MSG has since been working on the implementation of the workplan in order to fully implement EITI principles.

Roles and Responsibilities of the MSG

Members of the Multi-Stakeholder Group should have the capacity to carry out their duties and liaise with their constituency groups. The main responsibilities of the MSG are to:

- i. Maintain sustained political commitment of the Government and adequate financing
- ii. Identify the objectives of the workplan and develop the path to achieve them
- iii. Assess and remove barriers to EITI implementation
- iv. Define the scope of the EITI Report and data templates
- v. Appoint the Independent Administrator
- vi. Approve the annual workplan (s), EITI Reports and Annual Activity Reports and their publication.
- vii. Raise public awareness about the EITI and the results of the EITI Report.
- viii. Appoint the Validator and approve the final Validation Report.

The MSG is composed of representatives from the Government, Civil Society, Private Sector, Oil Companies and Industry.

1. GENERAL ASSESSMENT OF 2014 PERFORMANCE

The following activities were undertaken by the Seychelles EITI Secretariat during 2014:

The implementation of the Seychelles EITI activities during January to December 2014 aimed to broaden and deepen transparency and accountability in the preparation to implement the EITI process under the new Standard.

In the second half of the year, the Seychelles EITI Workplan was revised to accommodate requirements of the new EITI Standard, which do not only strengthen new Standard, but also helps to deepen the breadth and depth of transparency agenda in Extractive Industries (EIs).

Below is a general assessment of 2014 performance:

Development of 2014 to 2016 Seychelles Workplan.

The two-year workplan will accommodate objectives of the new EITI Standard and is supposed to be completed by February 2016.

I. Prepare sign-up steps for EITI Candidacy

The Government of Seychelles on 19th June 2013 issued an unequivocal public statement of its intention to implement EITI and appointed a high ranking official to lead the implementation of EITI.

During the month of March and April 2014, the Government worked closely with the Civil Society, private sector and oil companies, and established the Petroleum Multi-Stakeholder Group (MSG) whose mandate is to implement the EITI Process.

With the support of the World Bank, the MSG carried out a workshop locally, to prepare and gather feedback from Stakeholders on the proposed workplan. From the consultation process, the environmental aspect was incorporated in the workplan given the importance of environmental issues for the country.

The application for EITI Candidacy was subsequently sent to the EITI Secretariat for endorsement.

In August 6th 2014, Seychelles became an EITI Candidate country and is now in the process of implementing the EITI.

II. Establish the conditions for the EITI Secretariat to operate

The Secretariat operating under the division of External Finance Management and Planning in the Ministry of Finance Trade and Blue Economy was established in August, and is currently staffed by an Economist and assisted by a Senior Project Accountant. This was to ensure that all Coordinating work is carried out accordingly.

III. EITI National Coordinators' meeting

The EITI National Coordinators' meeting took place in Addis Ababa, in Ethiopia from 20th -22nd August 2014. A representative from the Seychelles EITI Secretariat, who is currently doing the National Coordinator tasks, participated. A presentation on the 'Contextual Reporting: **EI's contribution to the economy**' was provided to other National Coordinators from the respective countries: Zambia, Sierra Leone, Mozambique, Sao Tome and Principe, Ghana, Nigeria, Tanzania, Liberia.

IV. Scoping Study

The scoping study was concluded in March 2014, and widely disseminated to MSG members for their review and feedback. PetroSeychelles and a Consultant from the World Bank were assigned the task of helping with the development of the EITI scoping study for Seychelles.

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

Table 1: *Assessment of Performance against Targets and Activities Set Out In the Workplan*

<i>Activities Set Out in Seychelles EITI 2014 Workplan</i>	<i>Progress until December 2014</i>
1. Prepare sign-up steps for EITI	Objective 1. Seychelles endorses and becomes an EITI Candidate country - Seychelles applied for Candidacy on 12 th June

<p>Candidacy</p>	<p>2014.</p> <ul style="list-style-type: none"> - Seychelles became an EITI Candidate Country on 6th August 2014.
<p>2. i.) Establish the conditions for the EITI Secretariat to operate</p> <p>ii.) Establish legislation for Seychelles EITI</p>	<p>Objective 2. Seychelles establishes the conditions to institutionalize EITI</p> <ul style="list-style-type: none"> - The EITI Secretariat is based under the External Finance Management & Planning Division at the Ministry Responsible for Finance and is staffed by an Economist. - Due to delays in institutionalizing the EITI process, this activity will be effected in 2015.
<p>3. Build stakeholders knowledge about EITI and oil sector issues and revenues.</p>	<p>Objective 4. Build Seychelles MSG Capacity to implement, communicate and monitor EITI.</p> <ul style="list-style-type: none"> - In May 2014 a Consultant from the World Bank carried out a workshop with the MSG and stakeholders to build up capacity. - The Scoping Study was reviewed by MSG members and updated in March 2014. Further updates could be done as we move on in the process.

3. ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

Table 2: *Assessment of performance against targets and activities set out in the workplan*

<i>Requirements:</i>	<i>Progress:</i>
Requirement 1: The EITI requires effective oversight by the multi-stakeholder	The MSG meets once every two months. However if there is need to discuss any urgent issues, additional meetings are called. Members also participate in public outreach workshops and engage in public debates on extractive governance.
Requirement 2: The EITI requires timely publication of EITI Reports.	The Republic of Seychelles is due to publish its first EITI Report by 6 th February 2016. All steps are being taken to ensure that the report is submitted on time and the effective implementation of activities in the workplan is key to that.
Requirement 3: The EITI requires EITI Reports that include contextual information about the (Extractive Industries) EIs.	The report does not cover this requirement as the Seychelles EITI has just started the EITI process.
Requirement 4: The EITI requires the production of comprehensive EITI	The report does not cover this requirement as the Seychelles EITI has just started the EITI process.
Requirement 5: The EITI requires a credible assurance process applying international standards.	The MSG will provide the oversight and ensure that the process of reconciling the EITI reports adheres to international best practices and standards.
Requirement 6: The EITI Report requires EITI Reports that are comprehensible,	At this point in time the MSG is evaluating other countries past and current reports so as to learn

actively promoted, publicly accessible and contribute to public debate.	from them in order to ensure that when Seychelles submit its report it is done at the highest standard. All reports will be made available to the public via email, newspapers and website.
Requirement 7: The EITI requires that the Multi-Stakeholder group takes steps to act on lessons learned and review the outcomes and impact of EITI implementation.	The Seychelles Multi-Stakeholder Group decided to learn from the experience of other countries which has successfully implemented EITI. This is done through Skype calls/conference calls/emails. We have interacted with Albania, Tanzania and Nigeria.

<i>Requirements:</i>	<i>Progress:</i>
I. Requirement 4.1.f Transportation Payments	At this point, this requirement is not relevant as the Seychelles EITI has just started the process.
II. Requirement 4.1.e Discretionary Social Expenditures	At this point, this requirement is not relevant as the Seychelles EITI has just started the process.
III. Requirement 4.2.e Ad-hoc subnational transfers	At this point, this requirement is not relevant as the Seychelles EITI has just started the process.
IV. Requirement 3.11 Beneficial Ownership	At this point, this requirement is not relevant as the Seychelles EITI has just started the process.
V. Requirement 3.12 Contracts	At this point, this requirement is not relevant as the Seychelles EITI has just started the process.

4. OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE

This is not applicable at this stage.

5. **ANY SPECIFIC STRENGTHS OR WEAKNESSES IDENTIFIED IN THE EITI PROCESS**

 **STRENGTHS**

- The MSG has proper representation of members from different sectors. This contributes to an efficient and transparent decision making process.
- A strong representation from the Civil Society.

 **WEAKNESSES**

- The MSG is in need of more capacity building on the EITI process and standards.
- Sources for dissemination of information such as website etc...
- The EI is a relatively new industry in Seychelles as such there is limited knowledge and experienced professionals.

6. **TOTAL COSTS OF IMPLEMENTATION**

I. Sources of Funds

The total cost of the implementation of project activities and operational expenses set out in the workplan, is at USD 365,000. This will be co-financed by the Government of Seychelles (USD 75,000) and the Multi Donor Trust Fund (MDTF) (USD 290,000).

II. Staffing

The Secretariat falls under the Division of External Finance, Management and Planning of the Ministry of Finance, Trade and Blue Economy and is staffed by an Economist. The Senior Accountant in the Division of Financial Planning and Control Division of the same Ministry (FPCD) also assists with EITI tasks.

The Secretariat executed decisions made by the MSG, rendered organizational and coordinative support to the parties and maintained regular contact with them, responded to the inquiries of the entities and organizations, which are not direct participants of EITI and performed other functions, as well as participated in local and international EITI and related events.

The Secretary from the Secretariat participated in a National Coordinators' meeting held at the Desalegn Hotel, in Addis Ababa from the 20th -22nd August in 2014.

7. ANY ADDITIONAL COMMENTS

- In order to achieve a complete understanding of the preparation and submission of annual reports it is necessary to continue to work actively to further clarify the content of EITI reporting documents and the appropriate preparation and reports submission, both by competent representatives of government agencies and extractive companies.
- The EITI Secretariat which is currently under the division of External Finance Management and Planning will have to employ more workers to relieve the amount of work that is on the current Economist.
- One of the most important components to further the EITI implementation in the country is the public communication. At present it is necessary to make some efforts at the local, regional levels to effectively disseminate and promote the ideas and benefits of EITI.

8. HAS THIS ACTIVITY REPORT BEEN DISCUSSED BEYOND THE MSG?

This activity report was circulated to the MSG. The representatives of the various sectors had the responsibility of consulting/ discussing with stakeholders of their sector.

9. DETAILS OF MEMBERSHIP DURING 2014 PERIOD

ORGANISATION NAME NUMBER/EMAIL

The Seychelles Petroleum Multi-Stakeholder Group (MSG) is composed of 14 representatives (from the government, Civil Society, oil companies and the private sector) and 1 additional whose role is Secretary to the MSG. attended several meetings on the status of the EITI process.

The Seychelles Petroleum Multi-Stakeholder Group met 6 times during the period of August to December 2014.

List of MSG members (for the year 2014)

(Kindly NB: some MSG members have been replaced by their constituency and modifications were made to some institutions names)

Name	Title	Organisation	Contact details (Phone & Email)
Mr. Patrick Payet	Principal Secretary for Finance	Ministry of Finance, Trade & Investment (Kindly Note: The Ministry for Finance has a new portfolio) <u>Changed to:</u> Ministry of Finance, Trade & Blue Economy	1 st Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel:+ (248) 4382000 Mob: + (248) 2723 766 Email: psf@finance.gov.sc
Ms. Caroline Abel	Governor	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

<p>Ms. Jennifer Morel</p> <p>(Kindly NB: this representative was replaced during the course of 2014 due to a change at SRC.)</p> <p><u>Replaced by:</u></p> <p>Ms. Georgette Capricieuse</p>	<p>Revenue Commissioner</p> <p>Acting Revenue Commissioner</p>	<p>Seychelles Revenue Commission (SRC)</p> <p>Seychelles Revenue Commission (SRC)</p>	<p>P.O. Box 50 Victoria, Mahe Seychelles Tel:+ (248) 4293 702 Email: jennifer.morel@gov.sc</p> <p>P.O. Box 50 Victoria, Mahe Seychelles Tel:+ (248) 4293701 Mob:+ (248) 2723530 Email: georgette.pillay@src.gov.sc</p>
<p>Ms. Aurore Arcambal</p>	<p>Legal Advisor</p>	<p>Seychelles Revenue Commission</p>	<p>P.O. Box 50 Victoria, Mahe Seychelles Tel: + (248) 4 293 737 Email:aurore.arcambal@src.gov.sc</p>
<p>Mr. George .E. Robert</p> <p>(Kindly NB: this representative was replaced during the course of 2014 due to a change at the Attorney General's Office.)</p> <p><u>Replaced by:</u></p> <p>Ms. Alexandra Madeleine</p>	<p>State Counsel and Assistant Official Notary</p> <p>Assistant Principal State Counsel</p>	<p>Department of Legal Affairs</p> <p>Department of Legal Affairs</p>	<p>Department of Legal Affairs P.O. Box 58 National House Seychelles Tel: + (248) 4 383 100 Fax: + (248) 4 224 913 Email: agoffice@seychelles.sc Email:george.e.robert@gov.sc</p> <p>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</p>

Ms. Doreen Bradburn	Consultant <u>Changed to :</u> Corporate Manager	CORVINA (Kindly Note: This representative has changed post title and work location) <u>Changed to :</u> Public Utility Company (PUC)	P.O. Box 1496 Victoria, Mahe Mob: + (248)2 523 553 <u>Changed to :</u> PUC P.O. Box: 1496 Roche Caiman Email: bradburndoreen@gmail.com
Mr. Oliver Bastienne	Country Manager	Ernst & Young (Seychelles) Limited	2 nd Floor, Pirate Arms Bldg Independence Avenue P.O. Box 1289 Victoria, Mahe Tel: + (248)4 224889 Fax: + (248)4 325522 Mob: + (248) 2 727743 Email: olivier.bastienne@sc.ey.com

<p>Mr. Steve Lalande</p> <p><u>Replaced by:</u></p> <p>Mrs. Veronique Bonnelame</p>	<p>Chief Executive Officer</p> <p>Chief Executive Officer</p>	<p>LUNGOS</p> <p>(Kindly Note: LUNGOS is now called CEPS-Citizen Engagement Platform Seychelles)</p> <p>Citizen Engagement Platform Seychelles (CEPS)</p>	<p>LUNGOS Office, Orion Mall P.O. Box 885 Victoria, Mahe Tel: + (248) 4325550 Fax : + (248) 4 325551 Mob: + (248) 2 521193 Email: ceo@lungos.sc</p> <p><u>Postal Address</u> Citizen Engagement Platform Seychelles (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) 2 521860 Email: ybonnelame@gmail.com</p>
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<p>Mrs. Marie-Thérèse Purvis</p>	<p>Chair of LUNGOS commission for Environment and Natural Resources</p>	<p>LUNGOS</p> <p>(Kindly Note: LUNGOS is now called CEPS-Citizen Engagement Platform Seychelles)</p>	<p>LUNGOS Office, 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> <p><u>The new address is :</u></p> <p><u>Postal Address</u> Citizen Engagement Platform Seychelles (CEPS) P.O Box 885 Victoria, Mahe Republic of Seychelles</p> <p><u>Physical Address</u> Orion Mall Victoria Telephone: + (248) 4325550/4325552 Fax: + (248) 4325551 Email: info@ceps.sc</p> <p>Mob: + (248) 2589 001 Email: purvismt@gmail.com</p>
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<p>Mrs. Rosemary Elizabeth</p> <p><u>Replaced by:</u></p> <p>Mrs. Germaine Michaud</p>	<p>Commissioner Socio-Economic</p> <p>Commissioner Socio-Economic</p>	<p>LUNGOS</p> <p>Citizen Engagement Platform Seychelles (CEPS)</p>	<p>LUNGOS P.O. Box 885 Victoria, Mahe Seychelles Mob: + (248) 2781560 Email: seyrosie@gmail.com</p> <p><u>Postal Address</u> Citizen Engagement Platform Seychelles (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@intlevision.net</p>
<p>Mr. Jude Fred</p> <p>(Kindly NB: this representative is the fourth member of the CSO-CEPS)</p>	<p>Commissioner Faith-Based Organisations</p>	<p>Citizen Engagement Platform Seychelles (CEPS)</p>	<p><u>Postal Address</u> Citizen Engagement Platform Seychelles (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>Tel: + (248) 2 610 940 Email: judfred@yahoo.com</p>

Mr. David Rowbottam	Managing Director	WHL Energy, Ltd.	WHL Energy, Ltd. Level 2, 22 Delhi Street, West Perth, Western Australia 6005 P.O. Box 1042, West Perth, Western Australia 6872 Mob: + (61) (0) 403 064 058 Tel: + (61) (0) 8 6500 0277 Fax: + (61) (0) 8 9321 5212 Email: drowbottam@whlenergy.com
Mr. Charles Antelme	Regional Manager External Relations and EHSS	Afren, Plc	AFREN East African Exploration Delta Corner, Tower B, 8 th Floor Waiyaki Way, Westlands P.O. Box 61-00623 Nairobi, Kenya Mob: + (254) (0) 703 730041 Tel: + (44) (0) 20 7864 3925 Email: Charles.Antelme@afren.com
<u>Replaced by:</u> Mr. Mark Jenkins	Acting Regional Manager External Relations and EHSS	Afren, Plc	AFREN East African Exploration Delta Corner, Tower B, 8 th Floor Waiyaki Way, Westlands P.O. Box 61-00623 Nairobi, Kenya Telephone: + (254) (0) 713 883 688 Mobile: +(254) (0) 718614101 Email: mark.jenkins@afren.com
ADDITIONAL STAKEHOLDERS			

<p>Ms. Fatime Kante</p>	<p>Economist/Secretary to the MSG</p>	<p>Ministry of Finance Trade & Investment (MFTI)</p> <p>(Kindly Note: The Ministry for Finance has a new portfolio)</p> <p><u>Changed to:</u></p> <p>Ministry of Finance, Trade & Blue Economy (MFTBE)</p>	<p>1st Floor, Liberty House P.O. Box 313 Victoria, Mahe Seychelles Tel: (+248) 4382109 Mob : (+248) 2814763 Email: fatime.kante@finance.gov.sc</p>
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ANNEX

ANNEX 1

Seychelles intensifies process to become EITI member

05-May-2014



The multi-stakeholders committee meeting in progress



The Minister for Finance, Trade and Investment Pierre Laporte has already made a public statement for Seychelles to join the EITI to strengthen its governance in the upstream petroleum sector.

There is a deadline under the current Development Policy Operation (DPO) between the World Bank and the government for Seychelles to submit its EITI candidacy by May 2014.

Seychelles hopes to become a member of the Extractive Industries Transparency Initiative (EITI) to strengthen its governance in the upstream petroleum sector and the multi-stakeholders committee in charge of the process presented their draft work plan recently.

The multi-stakeholders committee include the government, civil society and the Chamber of Commerce and Industries. It is chaired by Patrick Payet, the principal secretary for finance. PS Payet chaired the recent meeting at the Lungos (Liaison Unit of Non-governmental Organisations of Seychelles) head office alongside Hilda Harnack, Energy Economist and a World Bank consultant in the field of the EITI, and Eddie Belle of Petro Seychelles.

"The main aim of the meeting is to have a consultation with the civil society, as we need to properly process our aim of becoming an EITI member for more transparency in case oil is discovered here in Seychelles and before drilling starts. So we want to ensure that we involve the civil society as much as possible in our discussions," PS Payet said.

With the presentation of the work plan the members of the civil society has two weeks to bring in their comments and their recommendations before it is finalised.

"We are hoping to finalise everything by May 30. So we are waiting for the recommendations from members of the civil society then we, the committee, will meet on May 22 for us to work on it. If there is a need we will amend the work plan," added PS Payet.

"We are hoping that Seychelles becomes a member of EITI by September and by being a member, the EITI will have to ensure that Seychelles has proper transparency in place. And the action plan we put forth will have to be done properly and in accordance with what we have planned. EITI will have an independent auditor assess our activities," he said.

The EITI is a global coalition of governments, companies and civil society working together to improve openness and accountability of management of revenues from natural resources. The EITI was launched in 2002 and since then has been endorsed by 39 countries across the world.

Assigned with the task of helping with the development of the EITI scoping study for Seychelles, Ms. Harnack said in a presentation late last year that transparency can only lead to accountability if there is understanding of what the whole process is all about and public debate about how the country's resource wealth should be managed.

"Civil societies need to know more about how resources of their countries are managed and if the companies involved are really following what their contracts say," she pointed out.

ANNEX 2

Transparency standard body accepts Seychelles as a candidate country

11-August-2014



Seychelles has since last week been accepted as a candidate country by the EITI (Extractive Industries Transparency Initiative) Board, the top world transparency authority in oil, gas and mineral exploitation and management.

Based in Norway, EITI is an international organisation which has developed a standard that assesses the levels of transparency around countries' above-mentioned resources.

The transparency standard also requires disclosure of revenue from those resources and the putting into place of appropriate measures to improve related accountability.

By becoming the 46th country to join the EITI, Seychelles is now obliged to publish an annual report on

revenue from oil or other underground resources.

Exploiting companies also have to publish their revenue.

An EITI committee including government and civil society representatives and chaired by the Minister for Finance, Trade and Investments Pierre Laporte has equally been set up.

Minister Laporte has welcomed the Board's decision and commented that it is important for Seychelles to be part of EITI as it shows the country's and government's commitment towards transparency.

"Seychelles is fully committed to ensuring the highest degree of transparency in the management of any potential oil discovery," he has said.

The Finance minister has added that implementing the EITI is part of the country's wider efforts to prepare for possible local oil and gas production.

Seychelles is expected to become a fully fledged member of the organisation in 2017.

Source: NATION 8-11-14

ANNEX 3

EITI National Coordinators' meeting Desalegn Hotel, Addis Ababa, 20-22 August 2014		
Wednesday 20 August		
Time/length	Session	Lead& comments
8.30-10.15 1 hr 45min	Introduction and warm-up <ul style="list-style-type: none">• Welcome from Merga Kenea, NC-EEITI• Expectations, issues that programme doesn't cover• Implementation update from each country	Merga Kenea, Ethiopia & Eddie Rich, EITI
10.15-11.15 1 hr	EITI documents <ul style="list-style-type: none">• Thoughts on the role of the workplan in guiding daily work• Usefulness of the Annual Activity Report (AAR)• Feedback on Secretariat templates (ToRs for Independent Administrators, AAR, Summary Report)	Siforiano Banda and Kaonga Mazaba, Zambia EITI
11.15-11.30	Coffee break and snack	
11.30-12.30 1 hr	Contextual Reporting: EI's contribution to the economy <ul style="list-style-type: none">• What information to include? How to obtain it?• Overview, GDP, employment, exports• Artisanal mining	Fatime Kante, Seychelles EITI
13.00-14.00	Lunch	
14.00-15.30 1 hr 30 min	Contextual Reporting: Licenses & contracts <ul style="list-style-type: none">• License allocations• License registers• Contract transparency	Mina Horace, Sierra Leone EITI
15.30-17.00 1 hr 30 min	Data comprehensiveness & reliability <ul style="list-style-type: none">• Ensuring agencies and companies disclose• Production and export data• International auditing and assurances practices and standards• Defining Materiality	Milagre Langa and Helder Sindique, Mozambique EITI
17.00 – 17.15 15 mins	Coffee break	
17.15-18.15	Social payments and quasi-fiscal expenditures <ul style="list-style-type: none">• What is required? How to cover it?	José Cardoso, STP EITI

1 hr		
19.30	Dinner at hotel restaurant	

Workplan for the Period 2014-2016

Seychelles Petroleum Multi-stakeholder Group

June 11, 2014

Seychelles EITI Workplan for 2014-2016

About Seychelles

The Republic of Seychelles is a small, middle income islandstate and an estimated population of 90,846 (2013). Per capita income -- around US\$11,349 (2012) -- is among the highest of the Middle Income Countries (MICs). The economy is small (a gross domestic product of US\$1,031 million in 2012), predominantly service-based, and highly vulnerable to global shocks and climate change due to its small size and geographic particulars.

Seychelles comprises 115 islands spread over 1,374 million sq. km. in the western Indian Ocean, containing 455.3 sq. km. in land area. Ten of the islands are inhabited, and approximately 90% of the population live on the largest island, Mahé (60% urbanized), where the capital and main port, Victoria, is located.

Seychelles has been rebounding from a 2008 macroeconomic crisis and is completing its transition to market-based economic policies. Like other small island states, it potentially faces a middle income trap, having achieved high living standards but with limited opportunities to attain high-income status, due partly by its population constraints.

Developments in the Oil Sector

Hydrocarbons exploration in Seychelles started in the early 1970's following the discovery of thick sedimentary sequences offshore the granitic islands during the International Indian Ocean Expedition in the 1960's. Since then, several oil companies have conducted geophysical surveys and four wells have been drilled with the aim of finding commercial accumulations of hydrocarbons. Although no commercial discovery has been made to date, the results from three wells and data from the geophysical surveys are very encouraging.

Currently there are two companies that have signed Petroleum Agreements with the Government. The Agreement permits to the oil company to explore and if successful, produce oil/gas from the Seychelles Exclusive Economic Zone. The two companies are: Australian based, WHL Energy Ltd and the London-based Afren Plc. Recently WHL has farmed out 75% of its interest to Ophir Energy Plc. Afren completed a 3D seismic survey of 2500 sq.km in early 2013 and Ophir will be acquiring 1500 sq.km of 3D seismic in mid-2014. Both Afren and WHL have drilling commitments in terms of work programme. A third company, Japanese Oil Gas and Minerals Exploration Company, (JOGMEC) has an exploration license with the Government and they completed a 2D seismic survey and a geochemical survey in May 2014.

There are several companies that have expressed interest in the EEZ and a potential discovery may not be too far in the future.

Sector Strategy

Seychelles depends overwhelmingly on petroleum products for energy generation, supplemented by a growing output of renewable energy. Total domestic consumption of petroleum has been rising, to 133,070 Mtons in 2011, of which more than half was used for electricity generation. Imports of petroleum products represent a high percentage of total imports, and the Government is therefore keen on expediting petroleum exploration in its EEZ. A discovery of oil will not only improve security of supply, but will also generate additional revenues to the Government. The Government has revised the legal and fiscal frameworks of the petroleum sector to make it more attractive for international oil companies to explore and exploit hydrocarbons in the EEZ. The government policy objectives are to:

- Promote petroleum exploration in the Seychelles EEZ by putting in place fiscal and regulatory incentives that attract oil companies, expedite exploration and allow an early commercial discovery. This is a priority objective.
- Improve energy security, develop renewable energy and reduce oil price volatility.
- Attract foreign direct investment and stimulate ancillary economic growth in the services and other sectors, generating additional inflows of foreign exchange.
- Ensure transfer of technology and know-how from international oil companies to enable PetroSeychelles to effectively supervise petroleum agreements and manage resources.
- Maximize the economic benefit at minimum risk to safety and the environment.
- Systematically build up a comprehensive data-base on all aspects of petroleum activity in Seychelles. This will entail proper collection, sorting, processing, storage, and dissemination of data.

In order to meet these policy objectives, the Government created a national oil company, PetroSeychelles, to implement the petroleum policy and strengthen government capabilities in developing petroleum resources in Seychelles.

EITI Objectives

Seychelles has made significant progress in public sector governance, as shown by its high ranking in the Ibrahim Governance indicators of African countries. The Government remains highly committed to continue improving governance, accountability and transparency in the management of public resources. The Government believes that in the event of oil discovery, oil revenues could be substantial given Seychelles' small economy, which may be highly adverse and distortive for the non-oil sector, making it uncompetitive and consigning it to a much lower growth rate. Therefore, Seychelles will need to put in place safeguards against this so-called "Dutch disease" in the form of a revenue management mechanism. The Petroleum MSG feels that the conceptual framework for such a mechanism should already be prepared.

Furthermore, it is in the interest of the Petroleum MSG to establish a legal basis for EITI, so that it becomes a mandatory initiative rather than a voluntary one. The Petroleum MSG believes that building knowledge of the contextual framework of the oil sector will allow it to take an effective role in the development of the sector, which should include the definition of its role to ensure that the environmental safeguards are adequately addressed.

In summary, the main objective of the Seychelles-EITI is to contribute to enhancing oil sector governance through the efficient management of oil revenues for the benefit of present and future generations. Specifically:

- i. Establish a legal basis for the Seychelles-EITI;
- ii. Prepare a feasibility study for a revenue management framework in the event that hydrocarbons are found to be commercially viable; and
- iii. Build MSG knowledge about the oil sector context and revenues in Seychelles.

SEYCHELLES PETROLEUM MSG WORKPLAN 2014-2016

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	RESPONSIBLE	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
								MDTF (US\$)	GOS (US\$)	
OBJECTIVE 1. SEYCHELLES ENDORSES AND BECOMES AN EITI CANDIDATE COUNTRY										
1	1.1 Prepare sign-up steps for EITI Candidacy		GoS issued an unequivocal public statement of intention to implement EITI	Press Release, June 19, 2013 by Min of Fin & 2014 Budget Speech, Dec. 10 2013	Minister of Finance	Expressed commitment by the President to adhere to the principles of the EITI, as per Press Release & Budget Speech	Seychelles' candidacy to the EITI approved by the EITI Board on, 2014			Met
2		Political will	GoS appointed a high ranking official to lead the implementation of EITI	President appointed Minister of Finance	President	Letter of appointment				Met
3		Political will	GoS committed to work with civil society & companies and established the PetroleumMSG to implement the EITI	March -April, 2014	Minister of Finance	Invitations to stakeholders to join the Petroleum MSG				Met
4			Prepare, gather feedback from stakeholders and approve the Workplan.	May 15, 2014	MSG Chair	Workplan published on State House website				Met
5			Prepare and present the application for EITI candidacy before end May 2014	May 30, 2014	Committee Chairman and Minister of Finance	Application sent to the EITI Secretariat on May 30, 2014		Workplan endorsed by MSG		
OBJECTIVE 2. SEYCHELLES ESTABLISHES THE CONDITIONS TO INSTITUTIONALIZE EITI								40,000	15,000	
6	2.1 Establish the conditions for the EITI Secretariat to operate	MSG Chair to operate from Ministry of Finance	Seek place of work and adequate staffing arrangements for Secretariat.	August- October, 2014	Committee Chairman		-Objectives of the workplan can be achieved.	15,000 oper. costs of work- shops	15,000	Met

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	RESPONSIBLE	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
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OBJECTIVE 3. PRUDENT USE OF OIL REVENUES FOR SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION								55,000		
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.	Q1 2015	MSG	Draft feasibility study & proposed legislation.	Draft legislation approved by Ministry of Finance.	40,000		
13			b. Organize workshop about countries' experience in coordination with donors.	Q2 2015						
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 government.	Q2 2015 Initial draft by Q3 2015. Second draft by Q4 2015						
15	3.2 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 2015 Q3 2015 Q4 2015	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.	15,000		
OBJECTIVE 4. BUILD SEYCHELLES MSG CAPACITY TO IMPLEMENT, COMMUNICATE AND MONITOR EITI								160,000	30,000	
16	4.1 Build stakeholders		Identify stakeholders needs and develop formal and informal capacity building program		MSG chair					

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	RESPONSIBLE	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
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17	knowledge about EITI and oil sector 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		d. 25,000		
18			Review and update scoping report. Complement contextual information as required by scope of proposed objectives --- ---	Aug. 2014 – May 2015	Depending on subject, CSO, Government agencies, Petro Seychelles or outsource.	MSG has the necessary elements to take decisions regarding the scope of the EITI Report	Scope of the EITI Report defined	5,000		
19			a. Formal training for 5 MSG members at Revenue Watch Institute summer program at University of Ghana or similar opportunities b. 2 guest speakers in areas to be specified	July- September 2015 Feb- Nov. 2015		Acquired knowledge of oil sector and of EITI Standard	No. of civil society organizations, academia & media that attended the training sessions.	40,000 15,000	15,000	
20			Exchanges with implementing countries to promote knowledge sharing. a. 2 coordinators of EITI countries. b. 2 people on 2 observation visits to EITI impl, countries.	February 2015 July 2015		Learn from the lessons learned of other countries		40,000	8,000	
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	4Q 2014 2Q 2015 4Q 2015 1Q2016	MSG	Civil society, academia, and media understand the EITI.	No. of MSG-organized public debates.		5,000	

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22		Perception of population that oil has been discovered	Organize community consultation forum to manage expectations of the population regarding oil production	Q4 2014	MSG and World Bank	Forum organized	No. of CSO and other organizations attending consultation	5,000		
23	4.3 State institutions understand EITI		Organize briefing session for parliamentarians on EITI and MSG achievements.	2Q 2015	MSG	Parliamentarians understand EITI	No of participants attending the session.			
24	4.4 Raise MSG awareness of environmental implications of oil exploration		Engage Ministry of Environment in 2 capacity building workshops on environmental laws and regulations applied to oil exploration,	October 2014 April 2015	MSG Chair and Ministry of the Environment	MSG able to determine adequacy of environmental legislation				
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		MSG MSG			20,000		
OBJECTIVE 5. RECONCILE OIL PAYMENTS AND RECEIPTS AND PUBLISH AND DISSEMINATE THE EITI REPORT								45,000	30,000	
26	5.1 Prepare and publish the first EITI Report		Issue TORs for independent Administrator and develop initial data templates	April 2015	Committee	Scope of EITI report includes: a. Beneficial ownership	-Better scrutiny by citizens of oil revenue flows from the oil industry	30,000	30,000	
27			Award contract for 2005 - 2014 EITI Report. Independent Administrator to validate contextual information and reconcile revenue data.	July 2015	MSG Chair	b. PetroSeychelles expenditures c. Discretionary social expenditure d. Environmental legislation	-Transparency Index of TI improved			
28			Formal submission of EITI Report for evaluation by EITI Secretariat	Within 18 mo. of Admission to Candidacy	Minister of Finance	e. Area rentals & contribution to education				
29	5.2 Disseminate the results of the EITI Report		Prepare agenda of activities to communicate the EITI and the results of the EIT Report to various interested groups.	January 2015	MSG	Report posted on webpage	No of televised roundtables; radio talk shows, other means	15,000		

	ACTIVITIES	PRECONDI- TIONS /CHALLENGES	ACTIONS	TIMELINE	RESPONSIBLE	PRODUCTS	RESULTS INDICATORS	FINANCING		STATUS
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OBJECTIVE 6. VALIDATE THE IMPLEMENTATION OF SEYCHELLES EITI WITH ALL REQUIREMENTS MET										
30	6.1 Successful Validation		Assess the choice of validators proposed by EITI Secretariat and select the most qualified.	Q4 2015	MSG	– Validator recruited by EITI Secretariat	Successful Validation of the EITI process in Seychelles by the EITI International Board and award of Compliant Country Status			
31		Inability to present adequate documentation to show meaningful progress	Validator visits country, meets stakeholders.	One month Q1 2016	MSG Chair	Initial Validation Report				
32			Validator submits draft Validation Report to the MSG and receives comments	Q2 2016	MSG	MSG comments and clarifies outstanding issues related to EITI implementation				
33			Final Validation Report sent by the Minister to the International EITI Validation Committee for comments	Q3 2016	Validator	Committee has the opportunity to answer and provide further clarification on issues arising during Validation				
34			Minister submits final Validation Report to the EITI International Board	Within 2.5 years of admission to Candidacy		Board evaluates the Report and decides whether or not to award EITI Compliant Country status.				
35	Audit of grant							5,000		
TOTAL								290,000	75,000	

Approved by MSG: *Poyg*
Date: 03/07/2015

