



## Seychelles: Public-Private Partnership Regulatory Framework Project

### The challenge:

As a small island economy, Seychelles is confronted by severe limitations in its economic development, principally due to its remote geographic location and lack of natural resources.

Increasingly, Seychelles is being confronted with emerging needs in infrastructure development that cannot be met with existing budgetary resources alone.



*Energy:* The country depends heavily on oil imports for its energy needs, making it vulnerable to world oil price fluctuations. Renewable energy potentials remain untapped. *Water:* Only 60% of the total demand for potable water is met, due to limited storage capacity, increased demand and water losses along the network. *Transport:* There are concerns over the Port of Victoria’s capacity to handle large vessels (especially container carriers) in the near future; The airport terminal is subject to crowding when handling the arrival of more than one wide-bodied aircraft at a time; Traffic levels on key roads linking the capital city Victoria to other points on the main island Mahe are approaching saturation, while the public bus network is in need of investment in new equipment.

### The solution:

ICF is working with the Government of Seychelles and the Africa Development Bank to support the development of a comprehensive legal, regulatory and operational framework for Public-Private Partnerships (PPPs) as a means to stimulate private sector development, and to support government capacity to leverage resources for infrastructure development and public service delivery. This includes the provision of clear rules for prospective investors, as well as creation of new funding and procurement methods for infrastructure development which leverage private investment. The project will cost a total of US\$ 748,020. Of this, ICF will contribute US\$ 114,000, Government of Seychelles will contribute US\$ 60,000 and the Africa Development Bank will contribute US\$ 554,020.

### Expected Results:

- Development of a Public-Private Partnerships policy framework and an operational framework
- Adoption of a legal and regulatory framework for Public-Private Partnerships in line with international best practices
- Improvement of the business enabling environment due to the legal and regulatory framework

**Project duration:** November 2014 – December 2015

The Investment Climate Facility for Africa is a grant providing organisation that works with African Governments to improve the environment in which businesses operate. ICF engages closely with implementing Government bodies throughout the life of the project. For more information about ICF please visit [www.icfafrica.org](http://www.icfafrica.org)