

# THE NATIONAL ASSEMBLY OF SEYCHELLES



## THE FINANCE & PUBLIC ACCOUNTS COMMITTEE

### SPECIAL REPORT ON THE PUBLIC HEARING OF THE SEYCHELLES PORTS AUTHORITY – PORT VICTORIA EXTENSION PROJECT

7<sup>TH</sup> ASSEMBLY

**THE FINANCE & PUBLIC ACCOUNTS COMMITTEE** is empowered to consider the accounts referred to in article 158(3) of the Constitution; report to the Assembly on any excess of authorised expenditure; propose any measure necessary to ensure that the funds of the Government are properly and economically spent; and examine the financial statements of any public or statutory body.

**Powers**

The Committee is a Standing Sessional Committee under Article 104 of the *Constitution*, the powers of which are set out in the *National Assembly Standing Orders, 2020* and *Part III of the National Assembly (Privileges, Powers & Immunities) Act, 2011*.

**Committee Staff**

The Committee is assisted by the following Parliamentary Staff: *Ms. Alexandria Faure* (Secretary) and *Ms. Sheryl Rangasamy* (Secretary Assistant).

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**The following Members of the Finance & Public Accounts Committee undersigned, submit this Report dated Monday 4<sup>th</sup> August 2025:**

Hon. Sebastien Pillay  
**Chairperson**



Hon. Terence Mondon  
**Vice-Chairperson**



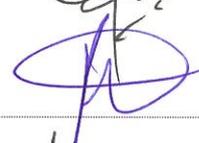
Hon. Sandy Arissol  
**Member**



Hon. Churchill Gill  
**Member**



Hon. Georges Romain  
**Member**



Hon. Richard Labrosse  
**Member**



Hon. Conrad Gabriel  
**Member**

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## EXECUTIVE SUMMARY

**This Report highlights the financial findings of the Committee on the Port Victoria Extension Project being actioned by the Seychelles Ports Authority. Prior to the Public Hearing, the Committee carried out a visit to the SPA and had an in-camera meeting with the authorities to discuss the tendering and confidential details pertaining to the Port Victoria Extension project.**

The Finance and Public Accounts Committee (FPAC) is established as the supreme institutional mechanism for ensuring oversight and scrutiny on the efficiency and effectiveness of all matters concerning public financial management and the systems in place. The Committee is regarded as a key component in the process of ensuring good governance, transparency and accountability.

In its role of oversight, the Committee holds the Executive accountable for its management of resources, efficiency in revenue collection, expenditure of public funds and proper accounting for state assets. Government spending is driven and directed towards achieving national objectives and delivering a better service to the public that is value for money.

In extension to its oversight role, the FPAC must work in close collaboration with other institutions and agencies in their reporting/law enforcement capacity to help detect, prevent and expose corrupt practices thereby reinforcing anti-corruption strategies. This includes promoting practices of good governance and efficient spending.

## **1.0. INTRODUCTION**

The purpose of this report is to provide an update to the National Assembly on the work carried out by the Finance and Public Accounts Committee (FPAC) on the findings of the Public Hearing on the Project for the Extension of the Port Victoria managed by the Seychelles Ports Authority (SPA) including financial aspects relating to the management and implementation of the project.

## **2.0. OVERVIEW & FINDINGS**

### **2.1. Overview of the Project & Meetings Held by the Committee Before the Hearings**

The Committee began its engagement with the Seychelles Ports Authority (SPA) in 2023, by carrying out an in person visit on 15<sup>th</sup> February 2023. The visit involved a preliminary meeting with the senior management and Board members of the Authority on matters as per the below;

- *General Presentation on the Ports Authority*
- *Presentation on the Structure of the Ports Authority*
- *Presentation of the Budget of the SPA and its Financials*
- *Presentation of the Port Victoria Rehabilitation & Extension Project*
- *Overview of other SPA projects*

The Committee discussed many matters at the site visit which pertained to the high risk of the state of the Port and the benefits that the Extension project will provide to Seychelles as well as the indicated revenue streams it could make available. There were concerns expressed on the delays with the project relating to the re-design, the condition of the land and the subsequent launch of procurements and tender processes which were deemed highly complex due to its international intricacies.

After the visit the Committee organised an in-camera meeting with the SPA to further discuss the finances and processes directly related to the Port Extension Project due to the huge fiscal impact and debt risks insinuated with it. The Committee met with the below delegation on Friday 21<sup>st</sup> July 2023:

**Mr. Sony Payet** - Chief Executive Officer  
**Mr. Egbert Moustache** - Deputy Chief Executive Officer  
**Mr. Franky Laporte** - Director Project Infrastructure  
**Mr. Gamanson Elpitia** - Chief Financial Officer  
**Mr. Elton Jeannevole** - Financial Controller  
**Mrs. Estelle Alexis** - Legal Advisor

The Chief Executive Officer (CEO), Mr. Sony Payet provided the Committee an update on the project providing further details that the concept of developing the Port was assessed, surveyed,

financial requirements were submitted stating that the analysis of this project by the consultant started on the wrong footing when considering the existing 50-year quay wall and the financing of renovations of the concrete structure and extension. Mr. Payet informed the Committee that the analysis done by the consultant is not doable and the finance not available and the SPA is in discussions with stakeholders to identify a way forward. It was highlighted that the European Investment Bank (EIB) and the Agence Francaise De Developement (AFD) both financiers to the project are attempting to locate extra funds for the project to cover the shortfalls. This was a preliminary concern for the committee and other pertinent questions were addressed to the delegation in relation to the actual time frame for the implementation of the project; the funds available for the dredging which was awarded to the Belgian company, *Jan De Nul*; the complications of the internal processes of the AFD and its contribution to the delays; the actual capital expenditure of the project which amounts to SCR267Million; and further enquiries into the loan to be obtained from Nouvobanq for the tugs and pilots.

The above matters of concern were subsequently discussed within the FPAC and it was agreed that a Public Hearing would be held to further enquire into the Port Extension Project and the management of funds for such, including fiscal risks that come with it. The Committee requested further documentation from the Authority listed in Annex One.

## 2.2. The Public Hearing & Findings

The Authority was summoned and appeared before the Committee on Thursday 24<sup>th</sup> October 2024<sup>1</sup> and was represented by:

**Mr. Sony Payet** – the Chief Executive Officer  
**Ms. Philippa Samson** – Deputy Chief Executive Officer  
**Mrs. Estelle Alexis** – Legal Advisor  
**Mr. Elton Jeannevol** – Financial Controller

The major findings of the Hearings concerned the below matters:

### *I. Presentation of the Port Extension Project*

A justification for the dire need for the extension of the Port was put forward to the Committee through the presentation that was provided by the Deputy CEO. There was a video and images depicting the corrosion, deterioration and degradation of the state of the port. The increasing intake of containers and ships is concerning as the port was not designed to capacitate this pressure. The discussion for the extension of the port with financiers began back in 2014. The project deliverables were outlined which included most importantly economic growth for the next 50 years. It was put forward that the cost of freight would be reduced as a result contributing to a reduction to the cost of living and reducing cost of exports from Seychelles; improved maritime

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<sup>1</sup> Live Stream of the FPAC Hearing on the Seychelles Ports Authority, Youtube, Available on Link: <https://www.youtube.com/watch?v=1aAWMU43mRw&list=PL8d6bcTDQekmLVLEongySeWo3LRHq7a20&index=7>

connectivity; and a projection of increased profits for the Authority. It was highlighted that thus far SCR31.8 Million has been spent on the project. In furtherance it is expected that the project will be finalized in 2028.

The Project consultants were provided as per the below:

Company Details	Task & Date	Challenges & Comments
<b>Bulgarian Firm PMM</b> Contracted by EIB under a Grant Agreement	Project Planning & Management – Detailed Design of Combi Wall: (2019-2023)	<p>COVID-19 Pandemic caused delays.</p> <p>Designer did not consult enough with the Authority as the contract was between EIB and the Firm.</p> <p>The submitted design was seven times the original budget and not practical for an operating port.</p>
<b>Dutch Firm MTBS</b> – contracted by EIB under a grant agreement for number 1. Sub contracted in 2020 by firm named COWI of whom were contracted by EIB.	<ol style="list-style-type: none"> <li>1. Maritime Transport Business Solution &amp; Feasibility Study (2015-2017)</li> <li>2. Transaction Advisory (2020-2021)</li> <li>3. Transaction Advisory (2024-2025)</li> </ol>	The Authority has now received a grant of EUR 250,000 from EIB to contract directly with MTBS to finalized the tender documents and assist with the selection process.
<b>PRDW Africa</b> – contracted by the Seychelles Ports Authority.	Project Management Services. (2023 to date)	<p>Initially contracted in 2023 in anticipation that the project would have started in the same year.</p> <p>Project management contract was amended to include a Front End Engineering Design Study which started in January 2024 costing the Authority EUR 790,000.</p>
<b>CPMD Associates</b> – contracted by the Seychelles Ports Authority.	Assist the Authority to review the designs provided by PPM. (2020-2022)	Local engineers Charles Pool and Marc d.Offay were contracted to review the designs mentioned.

*II. Inquiry into Expenditures & Tender Processes*

There was a lack of control over the contracts with consultants through EIB on the side of the SPA. The retain earnings of the SPA were highlighted to be SCR519 Million as at 31<sup>st</sup> December 2022 meaning that the longer the project delays, the more the earnings need to be retained to cover the offset of the cost which limits the capacity of the SPA to pay the Government dividends and direct its revenue to other streams of investment and employee retention.

The AFD loan required a EUR500,000 disbursement on the part of the SPA of which interest is charged. Continued interest is charged and to date EUR56,000, commitment fees EUR920,000 and appraisal fees of EUR120,000. In total it was deemed that SCR13.3 Million has been paid by the SPA to cover the delays which resulted in the challenges faced by the first consultant and redesign that had to take place. It was confirmed that once the project was completed the remaining old port would be operated under a 'soft usage' capacity for operations with low impact. In addition to that it was also highlighted that the old port would also have to be renovated and modernized to ensure it is safe and within international requirements for port operations.

The Committee enquired on the necessary financial analysis which should have taken place to ensure that a proper timeline would be put in place to ascertain when the SPA would be able to pay the Government dividends. The CEO of the SPA explained that there are ongoing discussions between the SPA Board and the Ministry on this matter but confirmed that going forward, until the end of the project the SPA would not be able to contribute to paying dividends.

The source of revenue for the project was highlighted to be through port operations such as concession fees, sublease fees and terminal handling, which is what will be used to pay off the project loan, which is deemed a top priority for the Authority. During the hearing there were many discussions on whether there are incidents of shortfalls, and the Authority confirmed that as per the calculations made, there would be sufficient revenue to cover the shortfalls and contribute to the cash flow of the authority going forward.

### **3.0. CONCLUSIONS & RECOMMENDATIONS:**

The FPAC makes the following recommendations:

1. Government needs to strengthen its internal audit mechanism and put in place alert systems or conduct periodical reviews and monitoring of high value expenditures and capital projects of this magnitude. In that regard the government audit committee must be brought to pay a more active role in establishing internal review mechanisms especially those related to major projects similar to the extension of the Port.
2. The FPAC recommends that stricter measures and additional layers of oversight are put in place for any future major capital projects especially when it concerns consultants and contracts undertaken by external organisations and involved other States.
3. Revenue bleeding is a concern for these major capital projects which calls for further financial analysis and a review of its long-term strain on the Government in the future, so that the mitigation measures can be put in place accordingly.
4. The importance of revenue projection and dividends planning to ensure Government receives it as a revenue stream is crucial and should be assessed.
5. Financial analysis of foreign exchange fluctuations should also be taken into consideration and revenue collection should be treated as a top priority.

## **Conclusion**

The role of SPA within the economy of Seychelles cannot be understated. Yet it is incumbent on SPA management that they put in place structures and mechanisms that will allow it to better deliver on its mandate. It is also crucial that Government also places emphasis on monitoring the internal structures within important SOEs such as SPA, not to undermine the role of the board and management but to strengthen these roles going forward. At the time of concluding this report SPA has yet to embark on the Port Extension Project. Delays to this project bring about additional costs and reduces the efficiency of SPA as entity to deliver on its stated mandate. These are important issues that needs to be addressed not only as it relates to SPA but other MDAs and SOEs. The FPAC thanks the management and staff of SPA for their support and wish them the best in their future endeavours. The recommendations highlighted above should provide valuable insight into what actions may be taken to ensure that the management of revenue and expenditure within SPA adheres to best practice and guidelines in place.

- *End of Entire Report*-

## **4.0. ANNEXURE**

### **ANNEX ONE: Documentation Requested from the Meeting of Friday 21<sup>st</sup> July 2023**

- 1) *Breakdown of spending for the Port of Victoria Extension Project Cost.*
- 2) *Breakdown of retained earnings.*
- 3) *Stocktaking on liabilities.*
- 4) *Debtors list.*
- 5) *List of Insurance Coverages (whether the insurance includes coverage of travel and loading).*

### **ANNEX TWO: Evidence Log for the SPA Hearing**

1. *The projected amount of retained earnings the Port Authority plans to maintain regardless of the project, in the instance of any unforeseen events.*
2. *Retained earnings remaining after expenses for the year 2023.*
3. *Information regarding any discussions and documents related to the projected dividends which would be paid to the Government.*
4. *The project implementation timeline.*
5. *Information regarding the salary restructuring process and its associated costs.*
6. *Video of the State of the Port*