Early Warning System

AFDB-P-SC-K00-029

Seychelles - Economic Resilience and Green Recovery Support Programme (ERGRSP) - Phase III

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Seychelles - Economic Resilience and Green Recovery Support Programme (ERGRSP) - Phase III

Quick Facts

Countries	Seychelles
Financial Institutions	African Development Bank (AFDB)
Status	Proposed
Bank Risk Rating	C
Voting Date	2026-09-21
Borrower	Government of Seychelles
Sectors	Climate and Environment, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 34.00 million
Loan Amount (USD)	$ 34.20 million

Project Description

According to bank provided information, the overarching objective of ERGRSP-III is to strengthen governance reforms in Seychelles in support of a resilient, inclusive and green economic recovery. More specifically, the programme seeks to improve tax revenue performance; enhance the efficiency of public spending and public service delivery; strengthen financial-sector resilience; support economic diversification, competitiveness and domestic value retention; reinforce environmental and climate resilience; and promote more inclusive economic growth. The programme is expected to strengthen governance and economic management, improve business competitiveness and economic diversification, and reinforce the environmental and climate resilience and inclusivity of economic growth. It also aims to create stronger conditions for private-sector-led growth, job creation, better public services and more targeted support for vulnerable groups.

The Economic Resilience and Green Recovery Support Programme – Phase III (ERGRSP-III) is the third and final phase of a three-year programmatic general budget support operation in the Republic of Seychelles, covering 2024, 2025 and 2026. The programme supports the implementation of the National Development Strategy 2024–2028 and the country's medium-term fiscal framework through a package of macro-fiscal and structural reforms aimed at strengthening governance, economic diversification, climate resilience and inclusive growth. The programme is structured around three mutually reinforcing components: (i) advancing governance and economic management reforms; (ii) improving business competitiveness and economic diversification; and (iii) enhancing environmental and climate resilience and economic inclusivity. The first component supports reforms to improve tax revenue performance, public expenditure management and public service delivery. Measures include stronger transfer-pricing enforcement, taxation of non-domestic digital-service suppliers, implementation of electronic invoicing for VAT compliance, follow-up to the PEFA++ assessment, piloting of the Integrated Financial Management Information System across government institutions, development of a national e-procurement system, review of the Public Procurement Act and implementation of the MAPS procurement assessment. It also seeks to strengthen the use of sex-disaggregated performance indicators in government budgeting and reporting. The second component supports financial-sector resilience, private-sector development and economic diversification. It includes the modernization of Central Bank systems, operationalization of the Real-Time Gross Settlement system and Central Securities Depository, strengthening of the AML/CFT framework, establishment of a regulatory framework for new digital services, implementation of the Tourism Action Plan, operationalization of the Seychelles Investment Portal as a one-window platform for investors and business approvals, and the launch of a Government Business Service Centre as a one-stop hub for business development services. The third component supports environmental and climate resilience and greater economic inclusivity. It includes approval and implementation of the Seychelles Integrated Resource Plan 2023–2043 for the electricity sector, establishment of the Seychelles Marine Spatial Planning Agency, strengthened regulation of hazardous chemicals, labour-market and social-protection reforms, institutional reforms in the agricultural sector and implementation of a national living-wage framework. The programme also supports measures to reduce youth unemployment, strengthen skills development and improve social protection. ERGRSP-III will be financed through an African Development Bank loan of USD 34 million to the Republic of Seychelles under a general budget support programme-based loan. The programme financing framework also includes USD 30 million in parallel budget support from the World Bank and approximately USD 39 million from the International Monetary Fund, bringing the identified 2026 financing from the three institutions to approximately USD 103 million. These World Bank and IMF operations are complementary financing arrangements and are separate from the AfDB loan. The borrower is the Republic of Seychelles, and the executing agency is the Ministry of Finance, Economic Planning, Trade and Investment (MoFEPTI). The AfDB financing is planned as a single-tranche disbursement in October 2026, with programme completion scheduled for December 2027.

Investment Description

- African Development Bank (AFDB)

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/