



SEYCHELLES PORTS AUTHORITY ANNUAL REPORT 2021



Contents

ABOUT SEYCHELLES PORTS AUTHORITY	3
CORPORATE INFORMATION AS AT DECEMBER 2021	5
SPA Board of Directors.....	5
SPA Headquarters	5
Organization structure	6
Corporate Governance.....	7
SPA’s Board of Directors	7
Board Members	7
Audit.....	7
Committees.....	7
Director assignments	7
AUDITOR’S REPORT [INSERT AFS 2021]	8
SPA PERFORMANCE REVIEW – BUSINESS AND OPERATIONS.....	11
SUMMARY & KEY HIGHLIGHTS	11
Business Development, Projects and Infrastructure	11
Project overviews 2021.....	12
Land survey for future port expansion	12
SPA headquarter relocation.....	13
Port Management Information System	13
Appointment of a Project Manager for the PVREP.....	14
Port Operations.....	15
Port Calls	15
Port Environment and Security.....	16
HR review – the core of SPA’s team!	17

ABOUT SEYCHELLES PORTS AUTHORITY

Vision

To continuously transform and sustain Port Victoria as a viable maritime hub.

Mission

To safeguard the maritime gateway to the Seychelles socio-economy by providing adequate and reliable port infrastructure and efficient services.

Core Values

During the period 2019/23, SPA shall remain focused and shall be guided by the following core principles:

Communication

“We hold direct, open, honest and regular communications and we listen to the views of others at personal, internal and external levels as well as horizontally and vertically in our daily duties and in the search for acceptable solutions to our challenges”.

Discipline

“We are focused in what we do and we do it to the best of our abilities and in full respect of the established standards. We do not give up or compromise in our duties”.

Excellence

“We are committed to offering the highest standards of efficiency and service in everything we do for our customers. In doing so, we deliver a premium value to our customers and make a positive difference in their lives”.

Ethics

“We are committed to the highest standards of respect, honesty, accountability and professionalism. We expect the conduct of our staff to be based on trust and respect for our customers and driven by the highest ethical standards. We are personally accountable for delivering on our commitments”

Growth

“We are committed to fostering the personal and professional growth of staff by promoting life- long learning and leadership development in all our endeavors”.

Safety and Security

“We are committed to the safety and security of all our staff, customers, ports assets and infrastructure”.

Teamwork

“We value teamwork as an integral approach in bringing together a range of talents for informed decision making and collaborative action. We believe in the sharing of knowledge and experience and supporting our

Staff to reach their full potential. We value the contributions of all our partners and stakeholders in helping SPA achieve its vision, mission and goals”.

CORPORATE INFORMATION AS AT DECEMBER 2021

SPA Board of Directors

The SPA Board of Directors mandate was due to expire on the 31st December 2019. The Board's mandate was expanded to March 2020 and was further expanded to the 31st December 2020.

On the 01st February 2021, the newly appointed SPA Board of Directors took effect and comprised of:

Mr. Gilbert Frichot – Chairman
Ms. Audrey Rose – Member
Mr. Brian Loveday – Member
Mr. Nichol Elizabeth – Member
Mr. Philip Hoareau - Member
Mr. Ronny Brutus – CEO (Ex-officio)

The Secretary to the Board is Mr. Neil Lalande Rene.

SPA Headquarters

The SPA Headquarters remains at Mahe Quay, Commercial Port. The particulars of the Authority are:

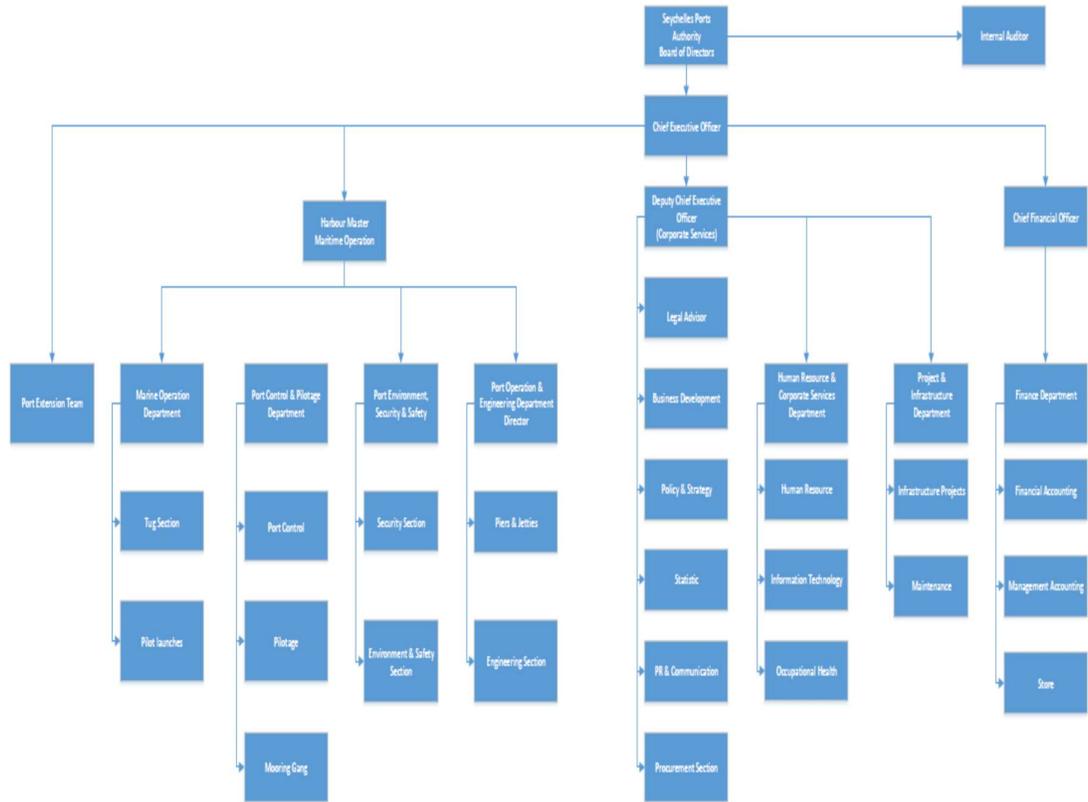
Head Office
Commercial Port
Mahe Quay
PO Box 47
Latanier Road
Port Victoria
Mahe

Tel: +248 4294700

E-mail: info@seyport.sc/enquiries@seyport.sc

Website: www.seyport.sc

Organization structure



Corporate Governance

SPA'S Board and Management have the responsibility of upholding the authority's fundamental values. The aim of the authority is to ensure that all the projects and operations undertaken are performed in respect of corporate governance, in application and in line with the national laws and regulations.

SPA's Board of Directors

SPA's Board of Directors has the key role of providing strategic and policy related directions to SPA's management. The Board is led by a non-executive Chairman who encourages decision making and development of strategies that will increase SPA's business portfolio and cash flow.

The Directors were appointed on the 29th January 2021 and their mandate took effect on the 01st February 2021 for a period of three years.

Board Members

The Board of Directors of the SPA comprise of:

- Mr. Gilbert Frichot – Chairman
- Ms. Audrey Rose
- Mr. Brian Loveday
- Mr. Nichol Elizabeth
- Mr. Philip Hoareau

Audit

SPA is subjected to an annual Financial Audit by the Office of the Auditor General. This is in line with the SPA Act.

SPA presently has an Internal Auditor who is responsible to reporting to the Board of Directors through the Audit and Risk Committee.

Committees

As per the Public Enterprise Monitoring Act, SPA has established the following committee:

- Audit and Risk Committee

Director assignments

Each Board director has been assigned with specific assignments based on their academic and professional expertise. Some specific assignments are overseen by a specific Board director who shall then report to the Board.

The assigned portfolios are as follows:

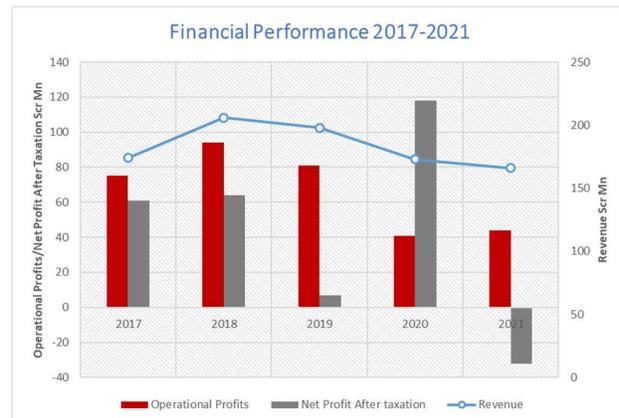
- (i) Finance – Mr. Brian Loveday and Ms. Audrey Rose
- (ii) Business Development – Mr. Nichol Elizabeth
- (iii) Operations – Capt. Philip Hoareau
- (iv) Projects and Infrastructure – Mr. Gilbert Frichot
- (v) Human Resources – Ms. Audrey Rose

AUDITOR'S REPORT [INSERT AFS 2021]

FINANCIAL PERFORMANCE

The year 2021 turned out to be a very difficult year due to the impact of Covid-19 restrictions directly caused an economic downturn in the country. SPA was not spared of the downturn and despite these exogenous factors, SPA performed moderately. Due to Covid-19 related factors and arising tensions between the Russians and Ukrainians rendered impacted negatively on the Euro. SPA maintained a EURO account to serve future funding requirements expected due to committed repayments from foreign borrowings. SPA's financial results were

also affected by the instability of Euro and experienced a serious exchange loss of Seychelles Rupees (SCR) Seventy Four (74) Million as a result of maintaining this reserve thus wiping off operational profits of SCR 43.9 Million as compared to operating profits of SCR 40.5 Million reported in 2020. Thus, the Authority reported an after tax net loss of SCR 32.2 Million as against the Net Profit of SCR 17.7 Million reported in 2020.



Revenue dropped to SCR150 Million in comparison to SCR 158.9 Million reported in 2020. SPA's staff and management were mindful of these negative financial impacts and supported the authority by reducing operational expenses by 14.8% and this resulted in operational expenses of SCR103.9 Million against SCR 122 Million in 2020. Major cost improvements came from the reduction in operational overheads, cost of premises and personal costs.

SPA had not embarked on major infrastructure development during the year other than the construction of a new passenger terminal in Eve Island Annex, Praslin in the aftermath of the forthcoming major investment in Port Victoria Rehabilitation and Extension Project (PVREP). The Authority maintains a healthy liquidity position by holding SCR 190 Million which is 37% of total assets which strengthens up the capability of SPA to meet any contingencies that may come across its journey. Furthermore, SPA increased its effective debt collection period from 3 months to 2.2 Months thus reducing the Accounts Receivable to SCR 31.3 Million from SCR 44 Million in 2020.

Total Liability position also reduced from SCR 52.9 Million to SCR 18.2 Million reported in 2020, mainly due to reduction in liability of Agence Française De Développement (AFD) due to depreciation of Euro emanated from arising Eurozone turbulences.

Overall though experiencing a reduction in Net Profit after Taxation, financial sustainability has been ensured, and looking forward to propelling Port Victoria forward with more vigor and enthusiasm to serve its stakeholders with improved services with the Port Victoria Rehabilitation and Expansion Project in 2022.

SPA PERFORMANCE REVIEW – BUSINESS AND OPERATIONS

SUMMARY & KEY HIGHLIGHTS

Business Development, Projects and Infrastructure

Business development is the nucleus driving SPA's modus operandi. There has been quite a lot in terms of how SPA undertakes new business ventures. With the emergence of the Investment Committee (IC) and the necessity to prepare detailed project memorandums or business plans has resulted in the re-evaluation of many planned projects. As a result, this allows for projects that have been budgeted for to receive more priority over other projects that arose along the four quarters of 2021.

With the development of detailed project memorandums, SPA's Board of Directors now have an indication as to how much capital can be invested into a project whilst taking into account the expected revenue and payback once completed and in full operation. In addition, SPA took stock of the all properties under its responsibility, assessed the potential of sites that are yet to be developed and also further planned investments that shall create a win-win scenario for SPA and its partner through Public Private Partnerships (PPPs).

SPA has been actively addressing the manner in which it collects its revenue following services rendered. Much effort has been given in the collection of the required documentation to actually raise invoices. As such, through constructive discussions, various partners have agreed with SPA on the proposed mechanisms put in place e.g. submission of final loading and discharge lists for containerized cargo and also the same for tankers.

Despite the on-going Covid-19 pandemic, SPA remained steadfast in fostering relationships with all its partners and stakeholders. This was done at all levels beginning with the Board of Directors. Most if not all port partners were consulted to address various pertinent matters relating to either port related services, projects and other business.

In the fourth quarter of 2021, the SPA Management and the Audit and Risk Committee of the SPA Board commenced an exercise to formulate Standard Operating Procedures (SOPs) for all its Departments. Although there were SOPs previously in some Departments, this was the first time that a comprehensive exercise had been carried out to ensure that all Departments are covered under one SOP document. The aim of the introduction of SOPs at SPA is to improve accountability, efficiency, quality control and safety at the workplace. They have been designed to help workers, including new employees, carry out routine operations better while reducing mis-communications.

Project overviews 2021

Port Victoria Rehabilitation and Extension Project

SPA's main financial commitment is the Port Victoria Rehabilitation and Rehabilitation Project (PVREP) which comprises a financial contract signed with the European Investment Bank (EIB) and Agence Française de Développement. This contract was signed in 2018.

During the first sitting of the Board dated 04th March 2021, the PVREP Cabinet memorandum was discussed whereby several recommendations with a change in concept for the construction of a 600m quay with an outward extension of 10 meters in the spirit of reducing the project cost was approved.

Also in 2021, meetings were held with representatives from the two main container lines calling to Port Victoria, that is, CMA CGM (locally represented by Société Seychelloise de Navigation (SSN)) and MAERSK (locally represented by Hunt Deltel & Co. Ltd (HD)). Discussions relating to the appetite for post panamax vessels calling to Port Victoria were tabled and it was understood that based on the number of TEUs and FEUs destined for Port Victoria, it would not be realistic for such vessels to call to Port Victoria.

Land survey for future port expansion

As part of future port expansion, a land survey surrounding the port which were both leased and not leased to SPA was commissioned. The rationale behind this exercise is that a case may be submitted to the Government of Seychelles to present a long term port expansion plan and land that would be required to be transferred to SPA.

Based on the hurdles encountered particularly an overkilled pricing of the project, by the current port designer, an international consortium known as Project Planning and Management (PPM), resolutions were taken to implement the project in phases. The aim of phasing the project was to ease SPA's cash flow and allow revenue earnings to repay the loan in addition to finding mechanisms to raise capital for the other phases.

Phase 1 comprises of the 10m outward extension and construction of a 300m quay, south of Mahe Quay. The detailed design is yet to be completed by PPM;

Phase 2 comprises of the additional 300m;

Phase 3 comprises of the development of the cruise ship terminal.

SPA also ventured in looking into SPA's relocation in view that land would be limited for the current Terminal Operator (TO) LML to operate once the land at the ex-Coast Guard jetty is allocated to the contractor for phase 1. To that effect, discussions with LML were established and also at a ministerial levels reflecting the extension of the commercial agreement for a period of three years. Another

element of this part of the project consists of the relocation of the current facilities at the ex-Coast Guard area.

Also in 2021, a delegation headed by Minister Anthony Derjacques, Minister for Transport, comprising of the Chairman of the SPA Board and CEO SPA went on a working mission to Abu Dhabi. During the visit, key meetings were held with officials of Abu Dhabi (AD) Ports and site visits. This mission served as an opportunity to have a hands on feel of how an almost fully automated port functions. The delegation also visited Dubai Ports.

Following a presentation to the Cabinet of Minister in May 2021, Minister Derjacques, SPA Board, and PVREP team held a press conference to inform the public of the way forward for the project. At that time, the expectation was that the physical construction was expected to begin in a year's time.

During 2021, meetings were held with all commercial banks to assess the appetite in providing SPA with favorable lending that would be facilitate the implementation of the two additional phases of the PVREP. Moreover, these offers were further extended to bankable projects that SPA would wish to venture in the coming years.

SPA headquarter relocation

With a new upcoming port infrastructure, SPA was in the process of purchasing the Islands Development Company (IDC) property near the commercial port. The Board visited the site to ascertain the potential a quick relocation to cater for the demolition of SPA's current headquarters. Following the site visit and subsequent to discussions with IDC, this option was deemed not viable in the short term.

SPA was tasked to negotiate with IDC for a waiver in the property purchase cost which had amounted to SCR 10 Million in the promise of sale to SCR 5 Million. The Board is pleased to confirm that following negotiations, the waiver was accepted and SPA has paid SCR 5 Million to IDC for the purchase of the property.

Notwithstanding the above, the Board also instructed SPA to launch a competition to come up with a design in line with the relevant procurement procedures. The Project team is working on the project and it is expected that this is launched in 2022. The new building is envisaged of five floors at 850sq. with two floors dedicated to SPA (three floors for rental), gym and cafeteria (with a common floor), port control tower, meeting room with booking system and commercial ground floor (deli shop).

Port Management Information System

The PVREP does not only constitute the construction of a new quay and hinterland for Port Victoria. It also involves the automation of SPA's manual processes, linking port stakeholders to a system that will ease and speed up port related business, and in the longer term connection to what is known as a Maritime Single Window. The automation of such practices is the Port Management Information System (PMIS). This project is being led by SPA's Deputy CEO, Dr. Egbert Moustache. The Board has provided a deadline for implementation for August 2022. This is an ambitious target having understood the relevant administrative and procurement processes currently in force for government organizations which includes PEs.

Appointment of a Project Manager for the PVREP

Following the Cabinet presentation, it was recommended that a Project Manager is appointed for the project. It was further recommended and resolved that there is a dedicated team to work on the project. This comprised of Mr. Franky Laporte, Ms. Philippa Samson and Mr. Rodney Quatre.

Eve Island Annex Passenger Terminal Building

The Eve Island Annex Passenger Terminal was a project that had been altered from its original scope. The Board was presented with a major infrastructure building which would cost SPA a significant amount, however, the budget for the passenger building is SCR 12M.

A temporary facility was proposed whereby a container facility was presented for Board approval. This concept was not favorably considered by the Board and it was then opted that a facility budget at SCR 12M would be implemented. The new concept comprises of a building which will provide amenities for ticketing and luggage handling. Kiosks catering for small businesses have also been included in the project concept which shall be an added revenue earner for SPA. The vision is to ensure that all the space available is turned into a revenue earner. This project is at tender stage and shall be implemented in 2022.

La Digue Port Extension

La Digue port extension is another project which was presented to the Board for consideration. The project was budgeted at SCR 52 Million. With budgetary constraints, the Board opted to reduce the scope and phase the project. The tender for phase 1 was launched for a sum of SCR 20.5M which comprises of a 122M quay, dredging of basin and rock armoring at the entrance of the basin.

Container Depot at Ile du Port

The MEP Engineering works have been undertaken and finalized. The report was presented to Management and SPA's Board. A feasibility study was requested for the project.

Port Operations

Port Calls

Port Calls recorded during the year are as follows:

Type of vessel	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Fishing Industry				
Purse seiner	143	128	132	126
Long Liner	53	37	17	60
Supply vessel	30	26	30	27
Cargo				
Container Ship	36	29	32	30
Reefer vessel (Fish)	13	9	9	11
General Cargo	2	3	2	1
Tanker/Cement Carrier				
Gas Tanker	1	0	2	2
Cement carrier	1	2	1	3
Oil Tanker	4	8	4	5
Yacht/Pleasure Craft/Cruise Ship				
Sailing Yacht	18	24	29	21
Superyacht	0	3	2	3
Cruise Ship	0	0	0	9
Other vessel calls				
Warship	4	0	4	6
Tug	4	4	3	3
Research Vessel	4	1	0	0
Barge	2	1	0	1
Dredger	1	0	0	0
Landing Craft	0	0	1	0

The figures represents 1,167 port calls for the year 2021 depicting an increase of Long Liners calling to port for SFA inspection and crew change. Another factor that contributed to the increase is the opening of the cruise ship season welcoming smaller vessels such as the Le Ponant fleet. Despite the opening of the cruise season, several calls were cancelled due to Covid-19 cases being detected on board.

- Include tug and pilot boat moves

Tug boat moves

Tug Name	Number of moves
Alouette	403
Ascension	444
Rosemary	396
Ste. Anne	214

Port Environment and Security

- Annual ISPS Audit and Certification

Annual ISPS Audit was conducted by SMSA and based on the report, the five (5) Year certificate has been approved, signed by the SMSA CEO and handed over to the PFSO.

- ISPS Training with US Coast Guard

Training was conducted by the USCG in line with the US Observation report of how to enhance security measures in the port.

- ISPS Security Drills

The drills test the effectiveness of the Security Department as per the Port Facility Security Plan and identifies possible vulnerabilities that could be avoided when conducting the main exercise thus providing a better view of how to better update the Port Facility.

- Audit by USCG

Audit was conducted in October 2021 by USCG and it was deduced that most issues has been addressed but still need to address some important ones especially the legal part by the SMSA.

- Pre-Inspection Visit by the USCG

Pre-Inspection visit was conducted for one week in the presence of the PFSO only in relation to the security measures being put in place in September 2021. Another meeting was set with SMSA to confirmation the progress made being the Authority overseeing the SPA.

- Training With ISPS Consultant Mr. Anouar Guembri

Training was conducted in line with the Approved Port Facility Security Assessment (PFSA) and the Approved Port facility Security Plan (PFSA). Training was conducted for five (5) weeks and all Shipping Agencies and security officers attended of which they all have to sit for an exam after the training to see how much they have learned.

HR review – the core of SPA’s team!

Employee distribution

Department	No. of staff
CEO’s Secretariat	11
Business Development	4
Finance	14
Projects & Infrastructure	19
Human Resources & Corporate Services	16
Marine Operations	82
Marine Engineering	19
Port Environment, Safety and Security	58
Total	223

Other initiatives

A HR performance audit was requested by the Board to analyze the strengths and weaknesses of SPA’s human resources. It is expected that the report shall be submitted to the Board through the Audit & Risk Committee in Q1 2022.

In order to boost SPA’s human resource development, the Board and management encouraged training and development. One of the achievements of the Board was pushing for the successful delivery of an in house training for management and supervisory level staff from The Guy Morel Institute (TGMI).

The Board was also actively involved in the amendment to the Recruitment Policy of Director roles particularly the involvement of the Board of Directors. This was aimed at eliminating biasness in the interview processes.

In 2021, several members of the Board had the opportunity to meet with SPA’s Head of Departments (HODs) to have a better apercu of SPA’s operations, department’s achievements, challenges and support required. A report was submitted to the Chairman on the series of interactions.