



Annual Report

2017

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Acronyms and Abbreviations

AFRITAC	Africa Regional Technical Assistance Centre
AFS	Annual Financial Statements
CBS	Central Bank of Seychelles
DBS	Development Bank of Seychelles
FSA	Financial Services Authority
FPAC	Finance and Public Accounts Committee
GDP	Gross Domestic Product
GOS	Government Of Seychelles
HFC	Housing Finance Company Limited
IDC	Islands Development Company Limited
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MOFTIEP	Ministry of Finance, Trade, Investment and Economic Planning
MOU	Memorandum of Understanding
NISA	National Information Services Agency
OECD	Organisation for Economic Cooperation and Development
OICL	Opportunity Investment Company Limited
PE	Public Enterprise
PEMC	Public Enterprise Monitoring Commission
PEMD	Public Enterprise Monitoring Division
PMC	Property Management Corporation
PPBB	Program Performance Based Budgeting
PSO	Public Service Obligations
PUC	Public Utilities Corporation
RBM	Result-Based Management
ROA	Return On Assets
SCAA	Seychelles Civil Aviation Authority
SCB	Seychelles Commercial Bank
SCI	Statement of Corporate Intent
SCR	Seychelles rupee
SEYPEC	Seychelles Petroleum Company Limited
SIMBC	Seychelles International Mercantile Banking Corporation Limited
SOE	State-Owned Enterprise
SPA	Seychelles Ports Authority
SPF	Seychelles Pension Fund
SPTC	Seychelles Public Transport Corporation
SRC	Seychelles Revenue Commission
SSI	Société Seychelloise d'Investissement Limited
STC	Seychelles Trading Company Limited
VAT	Value Added Tax

Chief Executive Officer's Statement

Public Enterprises have an important role in the economy of Seychelles. They are instruments in the creation of economic, social and public value. Assessing the recent trends in the economic developments, it is important to note that the Public Enterprise sector is becoming pivotal to our national economy. The sector comprises of 31 public enterprises and assists the government by ensuring a steady flow of income through investments and returns, for instance, through payments of taxes and dividends; and furnishing employment opportunities.

During the year under review, there was a total mSCR 287 in Business Tax from Public Enterprises (PEs) paid to the Seychelles Revenue Commission. The Government received a total of mSCR 345 of dividends from commercial public enterprises. Furthermore, the Public Enterprise sector plays an active role of job creation. In 2017, the sector represented 14% of the total average workforce of the country.

Apprise of the importance of the above, one notes the significance of having a high performing oversight body. It is with this objective that the Public Enterprise Monitoring Commission (PEMC) was established in 2013. PEMC has been assigned with the very important task of providing shareholder oversight of the PE Sector. It is mandated to ensure that the principles of good governance and laws and regulations and being adhered to by public enterprises. For the past years PEMC has strived to enhance its monitoring role, although facing constraints of limited resources.

Being cognisant of work carried out, international partners such as the International Monetary Funds have nevertheless, raised some concerns. It has been brought to the attention of government that the oversight framework of PEs in Seychelles is fragmented. There are overlaps and duplications in the oversight of PEs from PEMC, the responsible ministry of each PE, the SSI and the Ministry responsible for Finance. The fragmented oversight framework in Seychelles might lead to poor decision-making which undermines the principles of good governance, accountability and transparency.

Taking into consideration that the financial oversight of public enterprises needs to be strengthened, PEMC requested and received technical assistance from the AFRITAC South/IMF in the strengthening of the financial oversight of public enterprises. The assistance is expected to continue in 2018 and would also allow the drafting of an ownership policy and dividend policy.

With the aim of enhancing its oversight role, PEMC urges government in recognising its important role in the economy and provide the institution with adequate human and financial resources. This would allow PEMC to reinforced financial reporting of public enterprises. Increasing its resources would also enabling the elimination of weaknesses in the public enterprises reporting obligations.

PEMC's young and dedicated staff take this opportunity to express our gratitude for support obtain in the discharge of our mandate.

1 General Information

1.1 Strategic Overview

1.1.1 Vision

“To have high performing and compliant Public Enterprises in the Seychelles.”

1.1.2 Mission

“To monitor and evaluate the overall performance of Public Enterprises and to promote ethics of good governance in all their business transactions”.

1.1.3 Values

Our Core Values are:

<i>Excellence</i>	We strive to meet the highest standards of the Public Enterprise oversight and monitoring. We are committed to continuously improving our monitoring and supervisory roles, the quality of our staff and management as well the standards of our functions.
<i>Good Governance</i>	We are committed to put in practice the highest ethics of good governance, accountability and transparency. We expect the conduct of our staff and commissioners to be based on mutual trust and respect and driven by the highest ethical standards.
<i>Teamwork</i>	We value teamwork as an integral approach in bringing together a range of talents for informed decision-making and collaborative action. We embrace the diversity of staff with the respective talents, skills and values. We believe in the sharing of knowledge and experience and supporting our staff, management and commissioners to reach their full potential.
<i>Honor</i>	We aim to safeguard the interest and investments of our shareholders and the people of Seychelles. We endeavor to be recognized as a high performing organization and to be held in high esteem for a distinct function in the country
<i>Growth</i>	We are committed to fostering the personal and professional growth of staff and commissioners by promoting a culture of research, learning, trainings and

	leadership development in all our endeavors. We strive to Invest in our abilities and professionalism for the continuation of improved performance of PEMC.
<i>Partnerships</i>	We work with international and with local partners in the Public Sector to improve on the quality of delivery of our tasks. We value their contribution in helping PEMC to achieve its vision, mission and strategic goals
<i>Overcoming and innovative spirit</i>	We strive to collectively internalize the necessity to work together for the good of the Commission and the personnel.
<i>Responsibility</i>	We endeavor to develop with discipline, conscience, efficiency, quality and rigor the tasks assigned.
<i>Welcome changes</i>	We aim to maintain the motivation and the union among staff to facilitate the continuous improvement of the delivery of our work.

1.2 History

The Public Enterprise Monitoring Division (PEMD) was set up in 2009 within the Ministry of Finance, with the important role of making recommendations regarding the re-structuring, re-organizing, and monitoring of all public entities so as to improve efficiency in the provision of essential services and ensure that the government receives maximum return on its investments. The Division was supported by the Public Enterprise Monitoring and Control Act 2009 and was responsible for monitoring both commercial and budget dependent entities. In March 2013, PEMC was established under a new Act, the Public Enterprise Monitoring Commission Act of 2013, with the primary focus of ensuring that PEs are properly controlled and managed for the purposes of better performance, transparency and accountability, to improve efficiency and competitiveness of the economy, to foster and accelerate the macro-economic stability of the country and to provide for matters connected therewith.

1.3 Mandates

Corresponding with provisions in the Public Enterprise Monitoring Commission Act 2013 (PEMC Act 2013), approved by the National Assembly in March 2013, the Public Enterprise Monitoring Commission (PEMC) is mandated to:

- Ensure that the Government’s interests and investments as a major shareholder are maintained

- Provide an efficient and effective oversight function, ensures that the PEs optimize their investments and at the same time become operationally efficient; and
- Improve the policy environment of the PEs.

1.3.1 Entities Reporting to PEMC

In line with Schedule one of the PEMC Act, there were altogether 31 PEs including their subsidiaries, reporting to the PEMC in 2017. PEMC has been assigned with the important task of providing shareholder oversight to these PEs which are categorized in different sectors of the economy namely:

- Services and Development
- Energy
- Transport
- Financial Services
- Trading

These sectors are crucial to the economic growth and development of Seychelles. The details of PEs including their subsidiaries are provided in Appendix 1.

1.4 Key Functions

For the year under review, the key functions of the Commission were divided into two main categories:

Category 1: Governance

Category 2: Business Monitoring and Financial Analysis.

1.4.1 Governance

Good governance of PEs is essential for our economy as they are providing key essential services having a high impact on our citizens' day-to-day life. The Governance Unit strives to achieve the following:

- Implement the PEMC Act and monitor compliance with the governing law.

- Ensure adherence by PEs to policies and guidelines formulated by the Commission, Ministry of Finance and their responsible Ministry.
- Arrange investigation or inspection into the affairs of a PE where necessary in the public interest.
- Work in close collaboration with respective government departments to ensure that their current policies and regulatory environment are conducive to the PEs operation for them to better serve the public interest.
- Review and update existing guidelines.
- Develop appropriate systems and frameworks to promote good governance best practices by introducing and monitoring governance indicators.
- Develop tools to assess governance in PEs.
- Carry out governance audit within all PEs and submit reports to the Minister of Finance and the Responsible Minister
- Make recommendations on matters relating to the functions of the Board of PEs concerning governance and their adherence to approved policies and guidelines.
- Carry out research regarding best practices worldwide which can improve the work of the Commission and the PEs

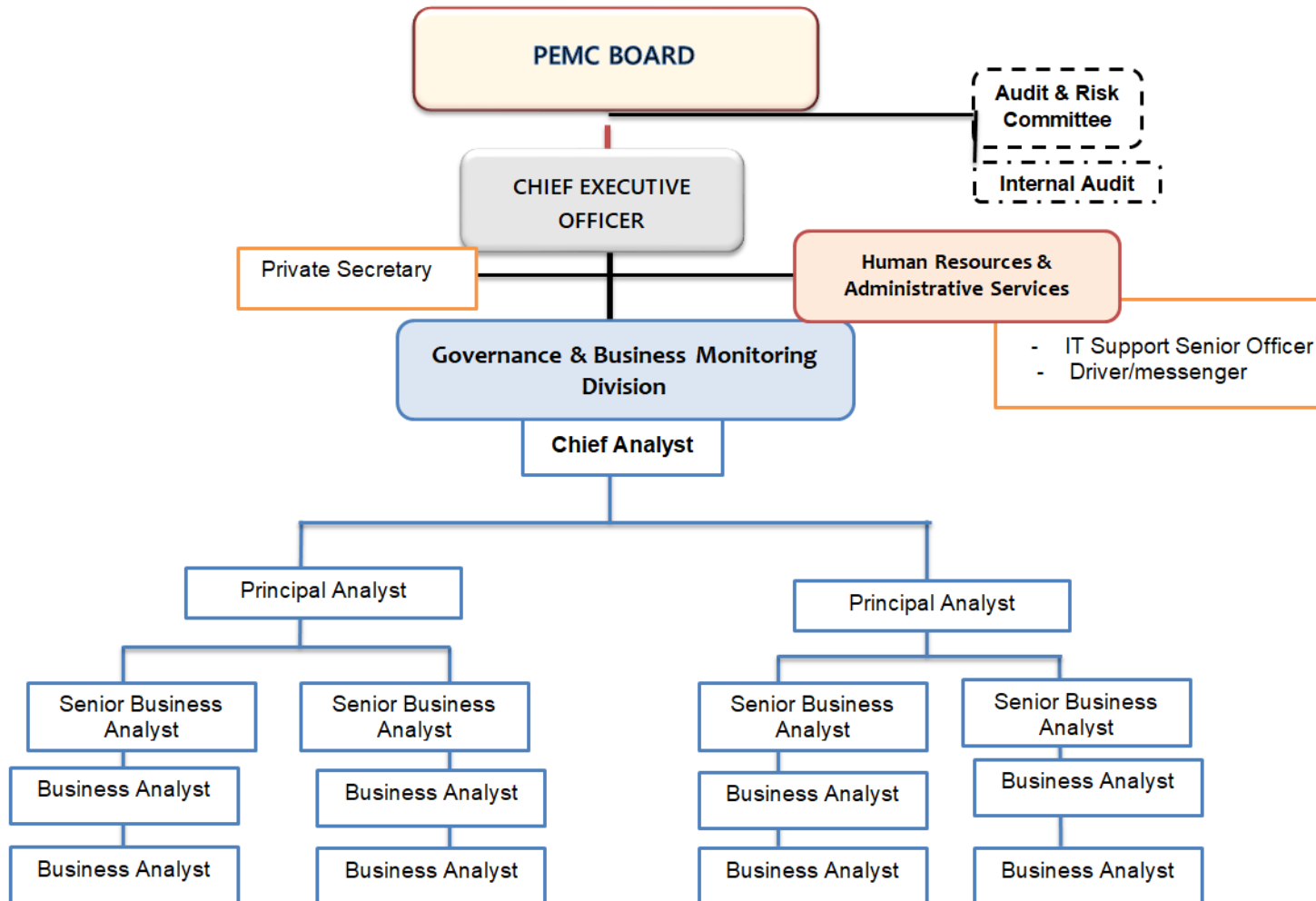
1.4.2 Business Monitoring and Financial Analysis

The Business Monitoring and Financial Analysis unit aims to achieve the following:

- Establish and maintain a database of financial data pertaining to the Public Enterprises.
- Establish a standardised reporting procedure to collect relevant information from Public Enterprises and key stakeholders in order to identify fiscal risks.
- Develop and apply technical tools to analyse and quantify fiscal risks from Public Enterprises, on an individual and aggregate level.
- Prepare an annual fiscal risk statement for the Public Enterprise sector.

- Establish a standardised reporting procedure to provide the outcome of the fiscal risk analysis to policy makers and other key stakeholders in a timely manner to enable them to make informed decisions on mitigating fiscal risks from Public Enterprises.
- Assess monthly financial statements to prepare quarterly reports for submission to the Minister for Finance.
- Assess annual management accounts, Annual Financial Statements (AFS), reports and budget for:
 - Issues relating to financial risks
 - Issues inhibiting the realisation of set revenue targets/performance
 - The preparation of an annual financial report on the Public Enterprises
 - The preparation of an annual consolidated cash flow statement for the Public Enterprise sector in the International Public Sector Accounting Standards (IPSAS) format
 - The preparation of an annual aggregated budget of the Public Enterprises to be included in the annual national budget document.
- Assess requests for additional budget from Public Enterprises.
- Assess ad-hoc financial information to advise the Boards of the Public Enterprises, the Ministry of Finance and other stakeholders.
- Strengthen working relationship with key stakeholders for the exchange of information.
- Recommend investigations into the affairs of the Public Enterprise where necessary in the public interest.

1.5 PEMC Organisation Structure



1.5.1 PEMC Board of Commissioners

The PEMC is governed by a Board of Commissioners established under section 7 (1) of the PEMC Act. For the year under review, PEMC had a Board of seven Commissioners. Including the CEO, they are as follows:

Board of Commissioners

(As at 31st December 2017)

Mr William Zarine	-	Chairman
Mr Georges Tirant	-	Chief Executive Officer
Mr Marcus Simeon	-	Member
Ms Tania Potter	-	Member
Mr Antonio Lucas	-	Member
Mr Emmanuel Green	-	Member
Ms Helen Maiche	-	Member
Mr Gamini Herath*	-	Member

**Mr Gamini Herath resigned as one of PEMC's Commissioner, following his appointment as Auditor General in March 2017.*

The Board of Commissioners was appointed in February 2016 and has since been upholding the following responsibilities, amongst others:

- Providing direction on the affairs and operations of PEMC and overseeing service delivery in line with government's policies.
- Ensuring compliance with PEMC Act, government administrative orders and financial regulations.
- Providing the policy direction required.
- Overseeing and facilitating provisions to provide the Minister responsible for Finance with information, guidance and decisions pertaining to the PEs so that their performance and that of the Board can be monitored.

1.5.2 PEMC Management and Staff

Given its mandate and the nature of its role and functions, building and developing internal capability is critical to the success of the PEMC. Including the CEO, the Commission had nine members of staff during the year 2017, namely the CEO, one private secretary, two senior business analysts, three business analysts, one administrative officer and one driver/messenger.

In July 2017, PEMC welcomed Mr. Georges Tirant as its new Chief Executive Officer (CEO). The Commission's former CEO, Mr Roger Toussaint, was appointed as the Principal Secretary for Industry, Entrepreneurship Development and Business Innovation.

Altogether, the Commission recruited four new members of staff in 2017.

1.6 Highlight of 2017 Strategic Goals/ Focus and Strategic Considerations

1.6.1 PEMC

The strategic goals/focus of PEMC for the year 2017, which are in line with the PEMC Act were:

- To develop strong partnerships with the PEs for the purpose of facilitating and enhancing its monitoring, analytical and feedback/reporting roles.
- To work with the PEs to ensure that they are properly controlled and managed for the purposes of better performance, transparency and accountability.
- To ensure that PEs operate in a planned and structured manner that best improves efficiency and competitiveness of the economy.
- To proactively troubleshoot and offer advice and recommendations to improve the operations and performance of the PEs.
- To become the trusted shareholder representative on behalf of the Government of Seychelles.

The key strategic considerations of the PEMC in 2017, which are in line with the Strategic Plan were:

- Capacity Building and need for qualified and competent human resources including technical and senior roles
- Enhanced and more enabling monitoring, surveillance and reporting framework.
- Enhanced working relationship with PEs
- More proactive and consistent data collection and analysis; and onsite visits
- Enhanced governance and compliance framework
- Reviewing legal framework and policies
- Focus on PEs Performance Management (staff and business) and ensure accountability
- Financial Management and Sustainability
- Prompt reporting and advisory to the Minister responsible for Finance
- Communication and Awareness Building

2 Performance Information

2.1 PEMC Performance Overview

In 2017, PEMC achieved some important goals and objectives despite some challenges in delivering on its mandate. In terms of governance and operational assessments, PEMC carried on-site inspections, as per section 12 (d) of the PEMC Act; of four major PEs namely:

- L'Union Estate
- Seychelles Ports Authority
- Property Management Corporation
- Seychelles Trading Company

Consequently, this led to greater understanding of the activities of the above mentioned PEs as well as an improved working relationship, hence, promoting better performance, transparency and accountability. More details regarding the investigations and inspections are provided in section 3.2.

The Commission also developed stronger partnerships with other stakeholders through various activities such as presentations with the cabinet of ministers and the Finance and Public Accounts Committee (FPAC). Additionally, the PEMC signed MOUs with the Central Bank Seychelles and the Société Seychelloise d'Investissement Ltd (SSI).

In 2017, the number of recruitment of talents, and staff training have increased as compared to 2016 thus improving the Commission's ability in the achievement of its comprehensive goals and targets.

Notwithstanding the achievements, the PEMC encountered challenges in undertaking some of its oversight roles in 2017. PEMC has faced difficulties in obtaining all required information from some PEs in a timely manner, as well as other compliance issues. For instance, some PEs are failing to comply in accordance with their reporting obligations, as stipulated in Part V of the PEMC Act.

2.2 Financial Performance

PEMC is a budget-dependent body and receives an appropriation from the budget managed through a central account administered by the Treasury Division. The Commission does not generate revenue.

PEMC secured a budget appropriation of SCR 6,526,030.51 for the year 2017 and expensed SCR 5,199,261.44 for the same period, reference is made to table 1 below. This represents an increase of 30% in budget appropriation and increase 22% in expenditure compared to the previous year 2016.

Expenditure represented 80% of the total budget for 2017. The under-expenditure is largely attributed to wages and salaries for vacant posts which were not filled during the year. Similarly, to 2016, wages and salaries were the largest expenditure item for the Commission for the year under review, whereas transportation and travel costs were the smallest expenditure item.

Table 1: Statement of Receipts and Payments for the Commission for 2017

	Budget SCR	Actual SCR	Variance		Previous Year Budget SCR	Previous Year Actual SCR
			SCR	%		
RECEIPTS						
Allocations/Appropriations	6,526,030.51	5,199,261.44	1,326,769.07	20%	5,019,765.03	4,248,149.50
PAYMENTS						
Wages and Salaries	2,950,180.50	2,172,478.33	777,702.17	26%	1,944,200.01	1,429,181.09
Good and Services						
Office Expenses	766,001.68	621,576.49	144,425.19	19%	611,065.01	526,918.26
Transportation & Travel Costs	295,000.00	265,330.00	29,670.00	10%	79,675.70	46,105.70
Maintenance & Repairs	680,866.36	589,887.27	90,979.09	13%	215,300.01	191,478.45
Other Goods & Services	1,363,981.97	1,172,578.34	191,403.63	14%	1,885,000.00	1,797,711.00
Total recurrent expenditure	6,056,030.51	4,821,850.43	1,234,180.08	20%	4,735,240.73	3,991,394.50
Non- Financial Assets						
Machinery & Equipment	470,000.00	377,411.01	92,588.99	20%	284,524.30	256,755.00
Total expenditure	6,526,030.51	5,199,261.44	1,326,769.07	20%	5,019,765.03	4,248,149.50
Surplus/(Deficit)		1,326,769.07				771,615.53

2.3 Performance Information of PEMC by Activity

2.3.1 Presentation on Governance and Operational Assessments to the Cabinet of Ministers

A presentation based on the Governance and Operational Assessments of six PEs, was made to the Cabinet of Ministers in May 2017. The assessments were conducted by a team from the World Bank in partnership with the PEMC. The Cabinet was briefed about the main findings of the assessments. PEMC's implementation plan, based on the recommendations of the assessments was also approved by the Cabinet. Following the presentation to Cabinet, PEMC was requested by the President's Office to further discuss the report and a presentation was made on the PEs reviewed.

2.3.2 Meeting between the PEMC and FPAC

PEMC and the Finance and Public Accounts Committee (FPAC) of the National Assembly met in June 2017 to discuss the status and nature of the Public Enterprise (PE) sector. The FPAC was presented PEMC's overview of shareholdings report pertaining to:

- the mandate of each PE as per the objects of their respective Memorandum of Association, or from their respective governing Acts;
- a breakdown of the Equity structures of the PEs, any change in shareholdings and the shareholdings for their investments in their respective subsidiaries and minority interests;
- the structure of the Board of Directors of each PE;
- a three-year summary of the number of staff of each PE for the years 2014 to 2016; and
- a summary of the financial performance of each PE for the year 2014 to 2016

The FPAC scheduled another meeting with the PEMC and requested a report regarding the challenges the Commission is encountering in the performance of its mandate. The Medium Term Challenges of PEMC and way forward report was compiled and submitted to the FPAC.

2.3.3 Staff Training

Given its mandate and the technical, monitoring nature of its role and functions, building and developing internal capability is critical to the success of the PEMC. It is therefore the expressed intent of the PEMC to create a pool of competent talent capable of leading the organisation towards the

achievement of its vision and statutory objectives. PEMC recognises the importance of expanding the knowledge-base of its employees by providing on-going training. This allows staff to gain additional skills and also enables PEMC to keep abreast of new developments in its field of work such as governance and financial matters, which is vital for the efficient and effective delivery of its mandate.

2.3.3.1 PEMC Staff Participation in the Second Meeting of The OECD Global Network on the Corporate Governance of SOEs

Two PEMC staff participated in the annual meeting of the Organisation for Economic Co-operation and Development (OECD)'s Global Network on Corporate Governance of State-Owned Enterprises (SOEs), held in Dubai on 23rd to 24th May, 2017. The objective of the meeting was to help governments identify priorities for SOE Board efficiency. The meeting also aimed to help with the implementation of the OECD guidelines on Corporate Governance of SOEs (SOE guidelines).

The meeting regrouped members from the OECD regional networks from the Middle East and North Africa, Southern Africa, Asia and Latin America under the theme "Professionalizing Boards of Directors of SOEs".

The meeting was initiated with a discussion on the recent developments of SOE reform related to ownership practices, privatisation and corporate governance in selected participant countries relative to the SOE Guidelines.

Session 1 focused on identifying actionable ways in which governments, as shareholders in SOEs, can more effectively organise and professionalise boards of directors. The topics included organising board function, nomination of directors, and autonomy and independence of boards.

Session 2 was dedicated to identifying what SOEs can do to ensure better effectiveness of the corporate governance of boards. It covered board training, remuneration and incentives, and board evaluation and performance.

2.3.3.2 Masterclass on the Boardroom, Governance and Director's Duties

A representative of the PEMC attended a seminar in July 2017, on 'Corporate Governance and Director Duties Excellence' in Paris, France. The training was focused on various governance practices and issues linked to Board of Directors operating in jurisdictions with strong legislative governance requirements and the implications for Directors in the non-performance of their responsibilities and duties. Additionally, the

masterclass explored the importance of the role of the board in a system of best-practice governance, and how effectively the board of directors can transform the organisation's performance.

The consultants at the event shared knowledge by providing valuable insight into the functioning of a board including:

- An alternative outlook on governance and providing a clear distinction between Governance and Governance Compliance
- The purpose, duties and loyalties of the Board of Directors to the organization and to the organization strategy
- The Boards of Directors' approach to risk and strategy

In December 2017, a subsequent masterclass was held in Dubai, based on the same theme. Three representatives from the PEMC participated in the event, whereby they acquired profound knowledge on the underlying purpose of the Board of Directors and its corresponding governance practices.

2.3.3.3 Seminar on Fiscal Risk Analysis and Management: Theory and Practice

One of PEMC's business analysts attended a seminar, organized by the AFRITAC South, in Mauritius, held on the 31st July to 4th August, 2017. The purpose of the Seminar was to review theories and practices of fiscal risks analysis, and gain insight of its importance. The sources, classifications, disclosure of information and management of fiscal risks were discussed, including country examples of fiscal risk statements.

The seminar was conducted by facilitators and consultants of the IMF, possessing knowledge and experience in the field of study. It included the participation of nine French, English and Portuguese speaking African countries, for instance; Swaziland, Mozambique, Comoros, Botswana, and Mauritius.

2.3.3.4 Results – Based Management Symposium

To mark the Public Service Day 2017, PEMC participated in a one-day symposium organized by the Department of Public Administration under the theme "Strengthening Public Service Performance: Translating Result-Based Management (RBM) into Action". The RBM policy is made up of four pillars covering:

1. Strategic planning to provide national strategic directions for action

2. Program Performance Based Budgeting (PPBB) to ensure alignment of national priorities, programs, processes and resources
3. Performance Monitoring and Evaluation (PM&E) to track the progress of policies, programs and projects to achieve results and provide evidence-based information for decision-making; and
4. Result-based Personnel Performance to improve accountability and personal performance.

All the topics covered during the symposium were very fruitful thus allowing the participants to gain a better understanding and appreciation of the RMB particularly the PPBB concept and strategy.

2.3.3.5 Basic Fire Safety Training and First Aid Course

A basic fire safety training and a first aid course was organised in the month of June 2017, for all PEMC staff, aimed at promoting health and safety in the workplace. The trainings enlightened the staff on reducing and preventing accidents in the workplace and provided life saving techniques in emergency situations.

The first aid course was a refresher for some PEMC staff, while others developed new skills and gained knowledge about first aid practices. The instructors used various activities during the sessions, including video presentations and practical activities such as resuscitation exercises. Participants learned about the use of non-prescription medicine, ways of treating burns, and the application of bandages and dressings. At the end of the session, the staff members were presented with their certificates.

The basic fire safety training was illuminative as participants developed awareness on the principles of fire combustion and prevention, the importance of workplace fire drills and effective response upon the discovery of a fire. The session involved video presentations and a practical session off-site to demonstrate how to extinguish a fire.

The successful completion of these courses gave the PEMC staff valuable insight into the importance of basic fire safety and first aid assistance.

2.3.4 Office Accommodation – Relocation of Offices

In July 2017, the PEMC offices were relocated, due to the urgent need for extra office space coupled with fungus infestation at the previous location. The Department of Public Administration granted the approval for PEMC to rent the required 400 square metres of office space at the Sunshine House,

Providence, based on the recommendation of the Committee for Management and Allocation of Office Space in Government. The decision for this preferred option was mainly due to the more affordable rental costs.

2.3.5 MOU between the PEMC and other Stakeholders

The PEMC has signed memorandum of understandings with other entities to establish guidelines for good working relationships and the exchange of information.

2.3.5.1 MOU between the PEMC and Central Bank Seychelles

The Central Bank of Seychelles (CBS) and the Public Enterprise Monitoring Commission (PEMC) have signed a memorandum of understanding (MOU) on 22nd November, 2017 to formally established guidelines for the basis of a good working relationship and exchange of information between the two entities.

The scope of information to be exchanged under this MOU covers financial institutions categorised as state owned enterprises.

2.3.5.2 MOU between the PEMC and SSI

A Memorandum of Understanding (MOU) was signed between PEMC and Société Seychelloise d'Investissement Limited in February 2017. The purpose of the MOU is to establish an official working relationship between the two organisations and to formalise the exchange of information between them.

2.3.6 Publication of Circulars by the PEMC

Submission of board minutes of meetings and details of PE shareholdings were some of the subjects covered by circulars published by PEMC in January and June 2017.

Details of the circulars were as follows:

- **Circular No.1 2017** requests details of PE shareholdings, documents of incorporation and Particulars of directors.
- **Circular No.2 2017** requests copies of the Board minutes whenever the board meets, whether monthly or quarterly and the minutes should be forwarded within a month after the meeting.

2.3.7 Review of the PEMC Act

Following the growing demand for good governance, transparency and accountability within the Public Enterprise Sector, the PEMC team has initiated a complete review of the PEMC Act No.3 of 2013. This task is being undertaken by an Act Review Committee set up by Management and endorsed by the PEMC Board of Commissioners. The Committee is chaired by the CEO of PEMC and other members are from the Ministry of Finance, Trade, Investment and Economic Planning (MoFTIEP), Commissioners from the PEMC Board, Legal Advisor and PEMC staff. The review anticipates providing PEMC with more tools to better monitor, assess and report on the operations and transactions of PEs.

2.3.8 Consolidated Cash Flow Statement

The preparation of the International Public Sector Accounting Standards (IPSAS) consolidated cash flow statement of the Public Enterprises is done annually by the Commission and it is continuously updated as and when PEs submit their certified Annual Financial Statements (AFS). The statement is then sent to the Treasury Division of the Ministry of Finance, Trade, Investment and Economic Planning and the Office of the Auditor General for review prior to being published in the Government AFS. The Commission has been preparing draft statements of the 2017 consolidation and draft statements have been sent to the Treasury Division on 13.06.2018, 19.06.2018, 21.06.2018 and 13.07.2018. The 2017 consolidation is to be further updated as some PEs had not yet submitted their AFS 2017 to the Commission as at reporting date.

3 Governance

As part of its mandate, PEMC was active in promoting the principles of good corporate governance, hence promoting transparency and accountability, during the year 2017.

3.1 Compliance Highlights

PEMC requests certain information from PEs on a regular basis to monitor and assess their performance as part of its role as their oversight body.

Some of the PEMC's requirements related to the submission of information are detailed in this section.

3.1.1 Submission of the Annual Report and Annual Financial Statements (PEMC Act, Section 36 and Schedule 4)

PEs should prepare an annual report on their operations together with a copy of their annual audited accounts to be submitted to PEMC within three months after the end of their financial year, as stipulated under section 36 of the PEMC Act.

Only 4 PEs submitted annual reports to the Commission for the year 2017, and 17 PEs submitted their annual financial statements (AFS). Only one PE, the Seychelles Pension Fund, had submitted its certified AFS to PEMC within three months after the end of its financial year as required by Section 36 of the PEMC Act.

3.1.2 Submission of the Statement of Corporate Intent (SCI) (PEMC Act, Section 34)

As per section 34 of the PEMC Act, PEs should submit a Statement of Corporate Intent (SCI) to the Commission which covers a period of three years, i.e. the financial year in which it is delivered and the following two financial years. PEs are required to submit an updated SCI after the period of three years covered by the initial one.

As at reporting date, 59% of PEs had submitted an updated SCI to PEMC and the remaining 41% had not complied.

3.1.3 Monthly Financial Reports (PEMC Act, Section 38)

It is a requirement in Section 38 of the PEMC Act that PEs should submit to the Commission a statement and financial and operational performance within fifteen days after the end of every month. PEs were partly compliant to this requirement for the year 2017.

3.1.4 Estimates and Projections (budget) (PEMC Act, Section 39)

As per Section 39 of the PEMC Act, Public Enterprises should submit estimates and projections (budget) to the Commission in respect of their next financial year.

Eighteen Public Enterprises and subsidiaries had submitted their annual estimates and projections for expenditure and revenue pertaining to the year 2018 to PEMC during the year 2017 by the required reporting date. The Public Enterprises which had not submitted their budget 2018 to PEMC by the required reporting date were:

- Société Seychelloise d'Investissement Ltd
- Seychelles Pension Fund

These projections were aggregated by the Commission and included in the budget document for the year 2018

3.2 Highlight of Governance and Operational Assessments

As stated above, PEMC carried on-site inspections, as per section 12 (d) of the PEMC Act; of four major PEs namely:

- Seychelles Ports Authority
- L'Union Estate
- Property Management Corporation
- Seychelles Trading Company

3.2.1 Seychelles Ports Authority Capex Inspection

In June 2017, carried out an inspection of the Seychelles Port's Authority's (SPA) project management function and procurement proceedings for capital expenditure (CAPEX) to ascertain the allegations of disbursement of funds on projects that have not yet started or approved. The Commission exercised its functions pursuant to Section 11(d) (f) (g) (i) and (j) of the PEMC Act.

The objective of the inspection focused on SPA's compliance with the legislative requirements of the Seychelles Public Procurement Act 2008 and Regulations 2014, and on the assessment of the effectiveness of the procurement, project management and internal control framework for capex projects.

The inspection provided an opportunity to uncover the issues, concerns and challenges encountered in the procurement and execution of such projects.

The main findings of the inspection focused on:

- compliance with the legislative requirements of the Procurement Act and Regulations.
- Project management
- Board Governance and Oversight of the project management functions
- Controls, transparency and disclosure

The Commission has proposed recommendations of which the Board and Senior Management of SPA should seek to implement to improve the effectiveness and efficiency of the project management function

of the SPA. The Commission shall meet with the SPA to initiate discussions for an action plan to implement the proposed recommendations.

3.2.2 Assessment of L'Union Estate Company Ltd

In November 2017, the Commission performed an Operational Assessment conducted at L'Union Estate Company Limited (L'Union Estate), on La Digue conducted by the Public Enterprises Monitoring (the Commission).

The assessment was conducted by the Commission in accordance with its functions as stipulated under section 11 (g) of the PEMC Act, 2013 (the PEMC Act) which states that:

“The Commission shall arrange investigation or inspection into the affairs of a Public Enterprises where necessary in the public interest;”

The objectives of the second operational assessment were to;

- Allow the Commission to establish whether an Action Plan had been prepared by L'Union Estate's management in relation to the recommendations listed in the two above-mentioned reports;
- Allow the Commission to identify the origins of the issues at L'Union Estate;
- Allow the Commission to assess whether L'Union Estate's current Operational structure is in line with its mission and its objectives;
- Allow the Commission to ascertain whether L'Union Estate's financial reporting structure reflects its reality and additionally; and
- Ascertain the reasons for the legacy and historical deficiencies that have been identified by the different Government oversight bodies, including the external auditors.

The Commission's assessment consisted of an analysis of divisional performances of L'Union Estate against the recommendations listed in two respective reports, namely:

1. The Commission's Operations Review Report of 2016 (hereinafter referred to as "PEMC 2016 Report"); and
2. The Finance & Public Accounts Committee Report of 2017 (hereinafter referred to as "FPAC 2017 Report") prepared by the Finance and Public Accounts Committee (hereinafter referred to as "FPAC") of the Republic National Assembly.

The Commission sought to establish whether the Board of L'Union Estate had taken necessary actions, in line with the recommendations laid out in both afore-mentioned reports, and it was identified that most of the challenges that the company was facing was rooted from legacy issues that existed within the company; and despite various reviews have been conducted and recommendations made, the company has not been able to attend to, nor action on the existing issues.

The Commission observed weaknesses such as:

- recurring internal control weaknesses
- management and governance weaknesses of the company
- conflict of interest on the boards of L'Union Estate and these instances goes against the principles of the OECD¹ in terms of conflict of interest² on boards and on the appointment and selection of independent directors³ on the board.
- identified a lack of capacity in the Accounts Department of the company which has led to failure to keep proper accounting books of records

3.2.3 Assessment of Property Management Corporation (PMC)

PEMC initiated the review of PMC in September 2016. The objective of the review was to evaluate whether the Corporation's governance, operations and structure support its mission and objectives.

The review included interviews with the Corporation's CEO, senior management and staff, desk review of documents, site visits and a Corporate Governance questionnaire based on the World Bank Toolkit for the Corporate Governance of State-Owned Enterprises and the OECD guidelines for the Corporate Governance of State-Owned Enterprises.

The exercise was postponed following restructuring and changes in constitutional posts and portfolios, including the appointment of a new CEO for PMC and PEMC, and resumed during the year 2017.

¹ OECD – Organisation for Economic Co-operation and Development, founded in 1961 to stimulate economic progress and world trade

²Conflict of interest involves a conflict between the public duty and the private interest of a public official, in which the official's private-capacity interest could improperly influence the performance of their official duties and responsibilities". {MANAGING CONFLICT OF INTEREST IN THE PUBLIC SECTOR ©OECD 2005}.

³ Independent directors should be independent from management, government and business relationships. {BOARDS OF DIRECTORS OF STATE-OWNED ENTERPRISES: AN OVERVIEW OF NATIONAL PRACTICES © OECD 2013}

The report was submitted to PMC for comments in March 2017. The findings focused on the Corporation's:

- legal framework
- structure and staffing
- strategic planning and performance monitoring processes
- financial review
- controls, transparency and disclosure

Since the issue of the report PEMC has been following up on the actions implemented by the Corporation to address the findings of the report. PMC has also submitted an action plan to PEMC. The Commission will continue to monitor the actions to be implemented by PMC.

3.2.4 Investigation and Inspection of Commodities Exempted from VAT at the STC

In May 2017, the PEMC investigated the STC, by carrying out spot checks in two sales outlets of STC on Mahé, following on-going allegations that prices are reported to have been increased instead of reduced after new categories of more than 900 commodities were categorized as "VAT exempt" by the Government.

PEMC took the initiative to carry out an investigation and inspection of such speculation and drafted a report based on the findings. The objective of the report was in line with Section 11(g) of the 2013 PEMC Act; "to arrange investigation or inspection into the affairs of a Public Enterprise where necessary in the public interest".

It was concluded that although the prices of the commodities had decreased, they did not decrease to their "VAT Exempt" prices.

However, the sample also indicated that contrary to the allegations of increase in prices of the 900 newly classified "VAT Exempt" commodities, the prices of the sampled commodities had decreased.

3.3 Highlight of Strengthening Risk Management and Oversight by IMF/AFRITAC

In response to a request from the PEMC and the MoFTIEP, an AFRITAC South (AFS)⁴ technical assistance mission visited Seychelles from the 11th to 22nd December, 2017 to provide support to authorities on developing capacity to identify, monitor, and mitigate the fiscal risks emanating from the Public Enterprises. The exercise forms part of PEMC's mandate to "ensure that Public Enterprises are properly controlled and managed for the purpose of better performance, transparency and accountability, to improve efficiency and competitiveness of the economy, to foster and accelerate the macroeconomic stability of the country and to provide for matters connected therewith".

The mission met with various senior officials from the CBS, the SSI, the MoFTIEP, the PEMC management and staff; and the Board of the PEMC. In addition, the mission met with senior staff of several PE's including Air Seychelles, PUC and STC.

The mission also conducted a four-day workshop on fiscal risks management and the financial oversight of PE's. The workshop provided a platform for 25 participants; including PEMC staff and Board members, a representative from MoFTIEP, and representatives from five PE's; to discuss with the mission team the recent developments on fiscal risks management and review analytical tools developed during the mission.

The main findings of the mission are as follows;

- Ownership and financial oversight of public enterprise in Seychelles have substantial weaknesses
- Financial oversight of PEs does not integrate risk management
- Capacity building for financial oversight and risk management is urgently needed.

In addition, the report provides specific advice and tools on how to strengthen fiscal risks management and financial oversight of the PEs.

The main recommendations were as follows;

- **Establish a comprehensive framework of financial oversight of PEs.**

⁴ AFS provides Technical Assistance (TA) and training to Angola, Botswana, Comoros, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Zambia, and Zimbabwe. AFS donors are the European Union, the United Kingdom, Switzerland, Germany, Mauritius, Netherlands, and Australia.

This includes the developing, approving and publishing of an ownership policy; the pooling of financial oversight functions in one financial oversight unit (PEMC) for the PE's; developing a dividend policy and the publishing of an annual report on the financial performance of the PE's in line with international good practice.

➤ **Strengthen fiscal risk management of PE's**

This involves the establishment of a standardized reporting procedure to collect relevant financial risk information on PE's; developing and applying technical tools to analyse and quantify fiscal risks from PE's and disclosing fiscal risks from PE's in an annual fiscal risk statement.

➤ **Identify, quantify and disclose quasi-fiscal activities in the annual fiscal risk statement** and analyse the impact on the budget in case PE's would be compensated from the budget.

4 Challenges and Opportunities

During 2017, the PEMC has encountered various challenges, which the Commission recognizes the importance of addressing and is engaged on acting upon them so as to create a culture of continuous improvement. A vital part of this is to identify as well as create opportunities for improvement which will add value to the work of the Commission and the PE sector.

4.1 Challenges

4.1.1 Challenges of the PEMC

For the year under review, PEMC has had numerous successes but has also faced some challenges which must be addressed in the coming year in order to fulfil its mandate more effectively and efficiently. The challenges for PEMC for 2017 have been:

4.1.1.1 Absence of Standard Definition of a Public Enterprise

The definition of PE remains an issue as the PEMC Act does not provide any clear guidance on defining a PE and it merely states under Section 2-Interpretations that a PE is *“an organisation specified in column 1 of Schedule 1 and any subsidiary of such organization.”*

4.1.1.2 PEs' Selective or Non-Compliance to the PEMC Act and Other Governing Legislations

Section 2 of the PEMC Act further states that an organisation may be *“a company, a body corporate, a statutory corporation, a statutory body, a trust partnership or a joint venture.”*

This implies that PEMC has oversight of 31 PEs including their subsidiaries, incorporated or established with varying legal forms under different pieces of legislations. Some PEs, usually the more commercially focused organisations, such as STC, IDC, SCB, SEYPEC, Nouvobanq et al. are incorporated as limited liability companies, hereinafter 'company', under the Companies Ordinance 1972, hereinafter the Ordinance”, and are required to comply with legislative requirements of the Ordinance.

On the other hand, certain PEs such as SPA, DBS, SPF, NISA et al. have Public Service Obligations, hereinafter 'PSOs' are created under other legal forms specified by their own respective legislations, are required to comply with the statutory commitments of their enabling legislations.

As previously mentioned above, the 31 PEs including their subsidiaries are under the oversight of the Commission and the present PEMC Act has certain limitations in terms of enforcing the legal requirements whereby several PEs fail to comply in accordance with their reporting obligations as stipulated in Part V of the PEMC Act.

There are instances where certain PEs choose to comply with the roles and responsibilities of Directors as per Section 171 of the Ordinance but not to the Liabilities and Duties of Directors as stipulated in Schedule 5 of the PEMC Act. Moreover, PEMC cannot enforce penalties on the PEs where there is selective or non-compliance due to lack of provisions for enforcement of specific sanctions.

4.1.1.3 Lack of Sanctions for Non-Compliance with the PEMC Act

As mentioned above, the Commission has no enforcement powers to apply sanctions to PEs. The current enforcement structure of the Commission is a "comply or explain" framework where PEs are only required to explain the reason for the non-compliance with the provision of the Act. The Act does not hold any person or group of persons accountable and responsible for the PEs compliance to their legal obligations.

PEMC is currently reviewing the PEMC Act and it is being proposed that appropriate sanctions be introduced in respect of non-compliance with its Act.

4.1.1.4 Fragmented Oversight of Procurement of PEs

Section 11(d) of the PEMC Act states that one of the Commission's functions is to *"assess the implementation of projects carried out by PEs to ensure compliance with procedures and regulations of capital expenditure."*

The Procurement Oversight Unit (POU) established general guidelines for the following PEs and subsidiaries:

- Seychelles Trading Company Limited

- Green Island Construction Company Ltd
- Islands Development Company Limited
- Seychelles Petroleum Company Limited
- 2020 Development (Seychelles) Limited
- Housing Finance Company Limited
- Seychelles Postal Services Limited
- Seychelles Commercial Bank Limited
- Seychelles International Mercantile Banking Corporation/Nouvobanq
- Air Seychelles Limited

The PEs not mentioned above are required to comply with the Public Procurement Act 2008 and its respective Public Procurement Regulations 2014 which establishes, under its First Schedule, the various procurement thresholds, approval procedures and procurement methods.

Depending on the threshold, PEs have to obtain approval for their procurements from either the National Development Committee, the National Tender Board, their respective Board of Directors, or their respective Procurement Committee, if any.

The current oversight framework of PE procurement is fragmented as there is no proper collective framework between the various procurement monitoring bodies to monitor compliance with the established procurement policies, procedures and legislations.

4.1.1.5 Lack of Communication between Government Regulators

Under the current legal framework there is a lack of communication between the PEMC and the various oversight agencies of the Government such as the POU, the Registrar and the SRC. The PEMC is in the process of establishing MOUs with various government supervisory bodies to address the issue of

miscommunication and facilitate the exchange of information. In 2017 the PEMC signed MOUs with the Central Bank Seychelles and the Société Seychelloise d'Investissement.

4.1.1.6 Human Capacity

As previously stated, the PEMC has oversight of 31 PEs including their subsidiaries and it had performed its mandate in 2017 with only nine members of staff. It is a great challenge for such a small number of staff to oversee the PE sector and enforce the mandate of the Commission. The small PEMC team has managed to obtain some success throughout the year but there are still some shortcomings due to the number of staff.

Moreover, the oversight of the PE sector requires certain level of competency and the PEMC has faced certain challenges in attracting professionals with the adequate competence.

4.1.1.7 PE Sector Governance Culture

The limitation of the current legal framework, the absence of a legislated Corporate Governance code, the small number of PEMC staff and the lack of communication amongst regulatory bodies and also support from various stakeholders, has made it very difficult for PEMC to fully deliver on its mandate. This has led to a governance culture of non-accountability and non-transparency which fosters non-compliance to both sector-wide and individual PE's governance and regulatory requirements. This is particularly a concern in procurement and project implementation, an area that is getting increasing focus of PEMC, going forward.

4.2 Opportunities for PEMC and the Public Enterprise Sector

Although the above challenges exist, there are also opportunities for them to be addressed in the short to medium-term. Some of these opportunities are detailed in this section.

4.2.1.1 Development of an Ownership Policy between the Government and the PEs

The OECD Guidelines on Corporate Governance stipulate that *“the ultimate purpose of state ownership of enterprises should be to maximise value for society, through an efficient allocation of resources.”*⁵

As previously mentioned, the PEMC Act currently does not impose legislative requirements on the State and its PEs to have an ownership policy which would assist the PEMC in addressing the issues identified above. In 2017, there has been discussion with the IMF/ AFRITAC, if possibly to provide assistance for the development of an ownership policy.

An ownership policy would assist in achieving good corporate governance, accountability, transparency and control as it would establish guidelines and principles that would ensure:

- an effective legal and regulatory framework for PEs
- the state acting as an owner
- the equitable treatment of shareholder
- relations to stakeholders
- transparency and disclosure
- responsibility of PEs’ Board of Directors

4.2.1.2 Development of a Code of Corporate Governance

Section 6(1) of the PEMC Act states that one objective of the PEMC is to *“promote ethics of good governance in all business transactions”* meaning that the PEMC is mandated to establish and foster a good corporate governance framework and environment in the PE sector.

However, the PEMC Act merely stipulates broad statutory requirements governing CEOs, Board of Directors, Board and Sub-Committee composition, duties and liabilities of directors and reporting obligations of PEs. Although, it currently covers some general corporate governance practices, it does not

⁵ OECD (2015), *OECD Guidelines on Corporate Governance of State-Owned Enterprises*, 2015 Edition, OECD Publishing, Paris, p.17

address the specific issues identified in Section 4.1 above. Moreover, the current Code of Governance was last updated in 2010 and is obsolete as it does not reflect the current corporate governance climate.

There is a need to enforce a revised Code of Corporate Governance, hereinafter “the Code” which will address the previously mentioned corporate governance issues that the PEMC is facing and reflect the current economic and political climate of accountability, transparency and disclosure.

In 2017, the PEMC was in the process of identifying and selecting personnel for assisting in the development and implementation of a code of governance.

The revised Code of Corporate Governance would benefit both the individual PEs and the economy as a whole by:

- Improving strategic decision-making and operational performance of PEs.
- Reducing the risk of corporate crisis and scandals of Board Directors of PEs.
- Fostering better relationships between the PEs and their stakeholders.
- Providing better financing for infrastructure development by PEs.
- Reducing the fiscal burden of PEs and increased net returns for the Government through higher dividend policy.
- Reducing possible corruption and improved transparency.
- Providing a set of guidelines for the PEs based on internationally accepted good practices, as well as guidelines on Corporate Social Responsibility.
- Providing a framework for strong board practices and employee-commitment, effective internal controls, transparent disclosure, and well-defined shareholder rights.

4.2.1.3 Building the Human Capacity and Competency of the PEMC

The PEMC is committed in enhancing its manpower to perform with the highest professionalization and integrity. It is important to note that PEMC has a proactive and qualified team.

Capacity building in the field of Good Governance is a priority for the organization. Training and international exposure are important tools to achieve this goal and will also feature in the PEMC's training plan. The Commission has also submitted a new organization structure to Government which would enable it to prepare a succession plan.

5 Conclusion and 2018 focus

In conclusion, the Public Enterprise sector remained significant in the national economy, for the year 2017. The PE Sector is pivotal to the national economy of our country as it assists the government by ensuring a steady flow of income through investments and returns, for instance, through payments of taxes and dividends; and furnishing employment opportunities. The Commission plays a critical role as the monitoring body of the PE sector since efficient and effective oversight of this sector is vital to limit any potential harm that the mismanagement or poor performance of PEs may cause.

The Commission has set some targets for the year 2018 to ensure that it achieves its mandate and provides the level of oversight required for the PE sector.

5.1 2018/2019 Focus for PEMC

In 2018, PEMC aims to strengthen its existing internal structure; staff capacity, controls and facilities to complement its medium-term objectives. Some targets for the period 2018/2019 include:

- **Improving the performance of PEMC through recruitment, development and retention of talents.**
- Improving service delivery. The PEMC needs to continue building-up its workforce to effectively carry out its functions.
- Ensuring that staff receive adequate and specialised training in the necessary fields and also attain knowledge and experience through suitable networking channels
- Promoting strong team work and team effort.

- **Strengthening financial and fiscal risk management of Public Enterprises.**
- PEMC also aims to initiate the process of preparing a PE Annual Report which includes a Fiscal Risk Analysis for the PE sector in order to ensure the long-term sustainability of the sector. For this PEMC collaborates with PEs to identify and quantify their Public Service Obligations (PSOs) which will then be included in the Fiscal Risk Analysis.
- **Strengthening the monitoring and reporting framework.**
 - Implementing effective and innovative reporting frameworks to support the Commission’s functions.
 - The Commission has planned to conduct further governance and operational assessments of PEs during 2018.
 - Ensure that PEs are complying with the PEMC Act in terms of reporting and submission of documents such as Annual Financial Statements, monthly financial statements and minutes of Board meetings.
 - Continuing review of the PEMC Act, which is on-going. The Commission aims to modernise the Act with the best practices in terms of good governance, transparency, accountability and effective reporting, to name a few. These changes will also serve to strengthen the PE sector. Once finalised by the PEMC Act Committee, the proposed review shall be presented to the Cabinet for approval.
 - Draft up the Ownership policy and the Code of Governance.
 - Ensure that PEs are preparing their updated SCI where it has lapsed.
 - Develop partnerships with other oversight bodies/regulators such the Finance and Public Accounts Committee of the National Assembly (FPAC), the Office of the Auditor General (OAG), the Procurement Oversight Unit (POU) and the Company Registrar despite that some progress has been made in this area as outlined in 2.3.2 and 2.3.5.
- **Developing a secure, high performing and reliable IT and management information system.**
 - Providing up-to-date information on the PEMC website. Having a pro-active website strategy that can increase awareness of PEMC is vital towards increasing transparency.
 - Maintaining a proper and efficient database for the collection of information to simplify specific tasks and to facilitate their timely delivery. This can also improve access to pre-compiled data for instance upon the request of information from various stakeholders and data user.

Appendices

Appendix 1: Public Enterprises listed in the PEMC Act, Schedule 1

PUBLIC ENTERPRISE	GOS SHAREHOLDING	INDUSTRY
SIMBC/Nouvobanq	78%	Financial Institution
Seychelles Commercial Bank	60%	Financial Institution
DBS	61%	Financial Institution
HFC	100%	Financial Institution
FSA	100%	Financial Institution
Seychelles Pension Fund	*	Financial Institution
Opportunity Investment Company	*	Financial Institution
FINANCIAL SECTOR		
SEYPEC	100%	Energy
Seychelles Progress	100%	Energy
Seychelles Patriot	100%	Energy
Seychelles Pioneer	100%	Energy
Seychelles Prelude	100%	Energy
PUC	100%	Energy
PetroSeychelles	100%	Energy
ENERGY SECTOR		
Seychelles Ports Authority	100%	Transport
Air Seychelles	60%	Transport
SCAA	100%	Transport
SPTC	100%	Transport
TRANSPORT SECTOR		
IDC	100%	Services & Development
Green Island Construction Company	100%	Services & Development
Green Tree Investment Company	100%	Services & Development
Green Oak Investment Company	100%	Services & Development
2020 Development Company	100%	Services & Development
PMC	100%	Services & Development
L'Union Estate	100%	Services & Development
SSI	100%	Services & Development
NISA	100%	Services & Development
Seychelles Postal Services	100%	Services & Development
Bois de Rose Investment	100%	Services & Development
Paradis des Enfants Entertainment	100%	Services & Development
SERVICES AND DEVELOPMENT SECTOR		
STC	100%	Trading
TRADING AND RETAIL SECTOR		

* Owned by members of the Fund (employees of public and private sector)