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## 1. Seychelles Civil Aviation Authority (SCAA)

### Disclaimer

*The Medium-Term Financial Strategy (MTFS) for the Seychelles Civil Aviation Authority (SCAA) reflects the organization's current structure and operations. Please note that, effective January 1st, 2025, SCAA will be restructured into two separate entities: the Seychelles Airports Authority (SAA) and a reconstituted SCAA. This organizational split will impact the financial and operational projections outlined in this MTFS*

### 1.1. Strategic Overview

#### 1.1.1. Mandate

The Seychelles Civil Aviation Authority (SCAA) was established under the Seychelles Civil Aviation Authority Act, 2005 and the Civil Aviation Act, 2005 as an administrative and financial body corporate to provide for the services, facilities and regulation of civil aviation activities in Seychelles with the power to do anything for the purpose of discharging or facilitating the discharge of its functions.

Following an executive decision to separate the functions of the Authority between the regulator and service providers into two separate entities, the new Seychelles Civil Aviation Authority Act, 2024 enacted on ...of August 2024, establishes a new entity with regulatory functions in safety and security oversight, whilst the service provision and commercial aspects of the organization have been established under a new Act called the Seychelles Airports Authority Act, 2024. In consequence, the Seychelles Civil Aviation Authority Act 2005 has been repealed.

Since the opening of the Seychelles International Airport in 1972, the local aviation industry has seen significant development in terms of infrastructure and human development and expertise, commensurate with international requirements. Seychelles became a signatory to the International Civil Aviation Organisation (ICAO) on the 25<sup>th</sup> of 1977 and as a Contracting State of ICAO, Seychelles operates within the established privileges and obligations of the Articles of the Chicago Convention, the Standards and Recommended Practices (SARPs) of its nineteen Annexes and other guidance documents as published.

*Article 44 of the Convention on International Civil Aviation states that 'The aims and objectives of ICAO are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:*

- *insure the safe and orderly growth of international civil aviation throughout the world,*
- *encourage the arts of aircraft design and operation for peaceful purposes,*
- *encourage the development of airways, airports and air navigation facilities for international civil aviation,*
- *meet the needs of the peoples of the world for safe, regular, efficient and economical air transport,*
- *prevent economic waste caused by unreasonable competition,*
- *insure that the rights of contracting States are fully respected and that every contracting State has a fair opportunity to operate international airlines,*
- *avoid discrimination between contracting States,*
- *promote safety of flight in international air navigation,*
- *promote generally the development of all aspects of international civil aeronautics.*

The air transport industry is a significant contributor to national and global economic growth and social development. It creates employment, facilitates trade and supports sustainable development of the tourism industry across the world.

Global and regional aviation connectivity is a vital enabler of the Seychelles international tourism market and many other critical drivers impacting national economic well-being, sustainable and prosperous development as a small island nation.

Under the SCAA Act 2024, the Authority has been mandated with the following functions:

- advise the Government on all matters relating to civil aviation;
- license, certify, and oversee individuals and organizations involved in aviation activities, including pilots, air traffic controllers, aircraft maintenance organizations, aerodromes and aviation training institutions, air navigation and air navigation facilities and equipment;
- establish and enforce regulations to ensure adequate levels of safety, security, and environmental sustainability in the civil aviation industry;
- regulate the operation of aerodromes and the provision of aerodrome services and facilities;
- regulate the operation of civil aviation activities including air navigation services and facilities;
- conduct risk-based inspections, audits, and investigations to monitor compliance with civil aviation regulations, standards, and recommended practices;
- to promote understanding of civil aviation policies and programmes;
- cooperate closely with the authority responsible for aircraft accident and incident investigation in Seychelles including, facilitating the sharing of information, expertise, and resources to ensure comprehensive and effective accident investigations, promoting safety and security improvement and lessons learned across the aviation industry;
- establish and maintain effective safety and security oversight mechanisms, including safety management systems, state safety programme, proactive safety culture promotion, incident and accident investigation capabilities, and comprehensive reporting mechanisms;
- regulate and enforce safety and security standards for ground service providers operating within the civil aviation sector in Seychelles;
- develop and review national standards for security equipment and systems used in aerodromes in accordance with the National Civil Aviation Security Programme;
- establish and implement a National Civil Aviation Security Programme and related matters;
- promote research and development initiatives on matters relating to civil aviation;
- charge fees for services provided by the Authority;
- issue directives to relevant entities for the implementation of the National Civil Aviation Security Programme and policies;
- approve security programs of aircraft operators, aerodrome operators, and other entities related to civil aviation;
- collaborate and enter into agreements and arrangements with organisations or authorities in respect of any matter relating to civil aviation and any other matter as the Authority thinks expedient;
- promote cooperation and exchange of information with other countries or international organisations;
- establish, co-ordinate and maintain state aviation safety and security programmes;
- license or certify aerodromes, regulated agents and air navigation service providers;
- conduct safety oversight activities in the following areas: airworthiness (air), aircraft operations (ops), air navigation services (ans), personnel licensing (pel) and aerodrome and ground aids (aga).
- conduct security and facilitation oversight activities;
- to exercise safety oversight in and regulate civil aviation activities relating to the Convention and annexes thereto as amended from time to time;
- act internationally as the national body representing Seychelles in respect of matters relating to civil aviation;
- perform such other functions as may be delegated to the Authority by the Minister under the Civil Aviation Act.

### **1.1.2. Vision**

A leading civil aviation organization, connecting the world with Seychelles.

### **1.1.3. Mission**

To manage, promote and develop a sustainable, safe and secure civil aviation system in Seychelles through effective oversight and economic regulation of air transport.

### **1.1.4. Strategic Priorities for 2025-2027**

The financial strategy for the next three years will be guided by the new organization's vision and mission statements which set the strategic priorities for the new SCAA as follows:

- Improved SCAA's safety oversight effectiveness to meet ICAO's Global Aviation Safety Targets by 2030.
- Improved SCAA's security oversight effectiveness to meet ICAO's Aspirational Global Targets in aviation security by 2030.
- Continuous staff development and quality training to meet industry needs, whilst making use of emerging technologies.
- Improved stakeholder collaboration so as to address non-compliance issues.
- Recognition as a reliable, reputable and resilient civil aviation organization by ICAO and the industry.
- Application of effective economic regulation of the local air transport sector.

The goals and strategic objectives for the next (3) years are derived from these five (5) priority areas. Note that all objectives and activities to be outlined within this document will be executed on the principle that the Authority will contribute towards minimizing the adverse environmental effects of civil aviation activities, through adoption of smart technology, improved infrastructure, quality training and regional cooperation schemes as recommended by ICAO, IATA, AFCAC, SADC and COMESA.

The priority areas as established will essentially ensure availability of resources for efficient, safe and sustainable operations have led to the following strategic objectives and goals:

#### **1. Financial Sustainability**

- Financial stability of the Authority is crucial and the core enabler to an effective safety and security oversight operation that enhances the level of compliance as prescribed under the ICAO USOAP and USAP Continuous Monitoring Approach mechanisms as applicable. Most importantly, under safety compliance, this will contribute towards the planned establishment and implementation of the State safety programme (SSP) which is an ICAO requirement.

#### **2. Development of Air Transport and Environmental Protection.**

- Foster the development of a sound and economically-viable civil aviation system and air transport with focus on economic policies, regulation and supporting oversight activities.
- Minimize the adverse environmental effects of civil aviation activities within the national territory.

#### **3. Goals**

- Achieve a continuous reduction of operational safety and security risks.

- Strengthen the safety and security oversight capabilities of Seychelles aviation industry.

- Implement an effective State safety programme.
- Increase collaboration at the regional level to enhance safety and security.
- Expand the use of industry programmes and safety information sharing networks.
- Ensure and promote appropriate infrastructure needed to support safe and secure operations.

### ***1.1.5. Key Challenges***

- A persisting challenge is the ability to attract, recruit and retain qualified and experienced technical staff through an attractive renumeration package, which supports career progression.
- Lack of an effective mechanism to conduct amendments to international standards and recommended practices as published by ICAO in timely manner.
- Stakeholder engagement and commitment to address in a timely manner, non-compliance identified from inspections and audits.
- Ineffective enforcement policies and actions that could stop operation of critical infrastructure where serious safety and security concerns have been identified by the Authority.

## 1.1.6. Outlook of Financial Strategy

### 1.1.6.1. Projected Financial Position of Seychelles Civil Aviation Authority

**Disclaimer:** In view of the ongoing transition process, being the separation of the current SCAA into two separate entities, SAA and new SCAA which comes into effect officially on the 1<sup>st</sup> of January 2025, a Projected Statement of Financial Position shall not be prepared. This is due to the process of Transfer of Assets and Liabilities from current SCAA to the two entities still being in discussion and therefore an accurate Financial Position for 2025 cannot be presented. Only the Projected Statement of Comprehensive Income and Statement of Cash Flow shall be prepared.

### 1.1.6.2. Projected Statement of Comprehensive Income of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
Aeronautical Revenue	256,425	425,188	457,379	472,844	31,975	35,807	36,454
Non-Aeronautical Revenue	35,659	48,214	54,029	56,966	-	-	-
Other Income	1,259	846	523	371	46,000	-	-
	<b>293,343</b>	<b>474,248</b>	<b>511,932</b>	<b>530,181</b>	<b>77,975</b>	<b>35,807</b>	<b>36,454</b>
Less: IATA Charges	(2,521)	(5,107)	(5,456)	(6,566)	-	-	-
<b>Total Operating Income</b>	<b>290,822</b>	<b>469,141</b>	<b>506,476</b>	<b>523,616</b>	<b>77,975</b>	<b>35,807</b>	<b>36,454</b>
Employment Benefit Costs	(195,336)	(215,557)	(252,966)	(266,578)	(34,210)	(34,210)	(34,210)
Other Operating Overheads	(62,209)	(78,210)	(101,058)	(131,093)	(12,317)	(12,611)	(12,914)
	<b>33,278</b>	<b>175,374</b>	<b>152,452</b>	<b>125,944</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Exchange Movements	(33,946)	(3,213)	1,737				
<b>Earnings Before Depreciation, Interest, ECL &amp; Tax</b>	<b>(668)</b>	<b>172,160</b>	<b>154,189</b>	<b>125,944</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Depreciation	(40,630)	(38,044)	(36,746)	(38,406)	-	-	-
Expected Credit Loss (ECL)	(3,918)	2,467	1,004	1,034	-	-	-
Finance Income	3,853	2,470	2,519	3,383	-	-	-
Finance Costs	(1,478)	(2,740)	(4,868)	(4,339)	-	-	-
<b>Profit/(Loss) Before Taxation</b>	<b>(42,841)</b>	<b>136,314</b>	<b>116,098</b>	<b>87,617</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Business Tax	648	(34,059)	(28,759)	(21,804)	-	-	-
<b>Profit/(Loss) For The Year and Total Comprehensive Income/(Expense)</b>	<b>(42,193)</b>	<b>102,254</b>	<b>87,339</b>	<b>65,813</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Dividend Payment	-	(15,000)	(17,000)	(34,000)	-	-	-
<b>Retained Profit</b>	<b>(42,193)</b>	<b>87,254</b>	<b>70,339</b>	<b>31,813</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>

### 1.1.6.3. Projected Cash Flow Statement of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Cash Flows from Operating Activities</b>							
Profit/Loss Before Taxation	(42,841)	136,314	116,098	87,617	31,448	(11,015)	(10,671)
<b>Adjustments</b>							
Depreciation of PPE	40,630	38,044	36,746	38,406			
Loss/(Profit) from Disposal of PPE	(171)	(388)	(26)	(27)			
Transfer to Expenditure (WIP)	-	-	388	-			
Provision for Expected Credit Losses	3,918	(2,467)	(1,004)	(1,034)			
Leave Accrued	329	1,128	2,495	2,053			
Gratuity and Compensation Charged	13,795	9,221	15,364	14,596			
Interest Receivable/Payable	-	(2,470)	(2,519)	(3,400)			
Exchange Difference on Cash and Bank Balances	29,101	4,653	1,596	1,436			
	<b>44,762</b>	<b>184,035</b>	<b>169,138</b>	<b>139,647</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
<b>Movements in Working Capital</b>							
(Increase)/Decrease in Inventories	(1)	(1,302)	(3,506)	(223)	-	-	-
(Increase)/Decrease in Trade & Other Receivables	(26,700)	(24,085)	(7,672)	(6,110)	(31,975)	(3,832)	(647)
Increase/(Decrease) In Accounts Payable	1,573	15,127	(10,414)	904	-	-	-
<b>Net Cash Generated from Operations</b>	<b>19,634</b>	<b>173,774</b>	<b>147,546</b>	<b>134,217</b>	<b>(527)</b>	<b>(14,847)</b>	<b>(11,318)</b>
Net Tax Received/(Paid)	13,382	(8,341)	(18,376)	(29,801)	-	-	-
Gratuity and Compensation Paid	(12,627)	(11,864)	(10,547)	(14,056)	-	-	-
<b>Net Cash Outflow from Operating Activities</b>	<b>20,389</b>	<b>153,569</b>	<b>118,624</b>	<b>90,360</b>	<b>(527)</b>	<b>(14,847)</b>	<b>(11,318)</b>
<b>Cash Flows from Investing Activities</b>							
Addition to PPE	(4,019)	(12,108)	(6,699)	(16,250)	-	-	-
Addition to WIP	(36,571)	(67,300)	(51,711)	(62,018)	-	-	-
Proceeds from Disposal	755	433	433	300	-	-	-
Interest Received	-	2,718	2,182	2,618	-	-	-
Additions to Short Term Investments	(4,317)	(2,652)	(1,153)	(865)	-	-	-
Receipt of Long-Term Deposit		-	-	-	-	-	-
	<b>(44,151)</b>	<b>(78,910)</b>	<b>(56,949)</b>	<b>(76,215)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>							
Loan Receipts/(repayment)	33,349	18,810	(1,288)	(11,704)	-	-	-
Exchange Movements on Borrowings	(2,773)	(2,250)	228	233	-	-	-

Dividend Paid	-	(15,000)	(17,000)	(34,000)	-	-	-
<b>Seed Capital</b>	-	-	-	-	46,000	-	-
	<b>30,576</b>	<b>1,560</b>	<b>(18,060)</b>	<b>(45,471)</b>	<b>46,000</b>	<b>-</b>	<b>-</b>
<b>Net Increase/Decrease in Cash &amp; Equivalents</b>	<b>6,814</b>	<b>76,219</b>	<b>43,616</b>	<b>(31,326)</b>	<b>45,473</b>	<b>(14,847)</b>	<b>(11,318)</b>
<b>Movement in Cash and Cash Equivalents</b>							
01-Jan	98,497	76,210	147,777	189,797	-	45,473	30,626
Increase/Decrease	6,814	76,219	43,616	(31,326)	45,473	(14,847)	(11,318)
Exchange Difference on Cash and Bank Balances	(29,101)	(4,653)	(1,596)	(1,436)	-	-	-
<b>Cash as at 31<sup>st</sup> December</b>	<b>76,210</b>	<b>147,777</b>	<b>189,797</b>	<b>157,035</b>	<b>45,473</b>	<b>30,626</b>	<b>19,309</b>
Fixed Deposits	73,243	75,896	77,049	81,371	-	-	-
<b>Net Cash &amp; Equivalents</b>	<b>149,454</b>	<b>223,672</b>	<b>266,846</b>	<b>238,406</b>	<b>45,473</b>	<b>30,626</b>	<b>19,309</b>

#### **1.1.6.4. Projected Capital Investment Plan of Seychelles Civil Aviation Authority**

The Seychelles Civil Aviation Authority (SCAA) could not provide a detailed capital investment plan due to the ongoing reorganization associated with the split of the authority into two entities, SCAA and the Seychelles Airports Authority (SAA). This split, formalized by the enactment of the SAA Act, which comes into effect on 1st January 2024,

#### **1.1.7. Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies**

- 1.1.7.1. Tax Implications by the Operations of Seychelles Civil Aviation Authority**
- 1.1.7.2. Anticipated Dividend Declarations By Seychelles Civil Aviation Authority**
- 1.1.7.3. Debt Payments Forecasts By Seychelles Civil Aviation Authority**
- 1.1.7.4. Anticipated Subventions and Grants By Seychelles Civil Aviation Authority**
- 1.1.7.5. Contingencies of Seychelles Civil Aviation Authority**

Details have not been provided for; **Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies**, This is exclusion is due to the ongoing split of SCAA into SCAA and SAA, with the **SAA Act being enacted effective 1st January 2024**. As a result, the financial information is currently under reorganization, making it difficult to furnish accurate projections at this time.

#### **1.1.7.6. Assumptions used for the Financial Projections of Seychelles Civil Aviation Authority**

The SCAA revenue upon the separation will start off with two main streams of revenue.

- Disembarkation Fees: The fee at US\$5 is levied on all arriving passengers upon arrival of international flights. For the year 2025, SCAA foresees approximately 431,269 billable passengers amounting to US\$2.2 million, which equivalents to SR31.4 million.
- The safety regulatory fee is budgeted at SR3.97 million, comprising of the revised charges.
- Additionally, a SEED capital of SR46 million will be poured into the authority's inflow as a start- up fund to support the first-year operation ensure their sustainability during the transitioning period.

This sums up to a total revenue of SR81.4 million.

#### **Operating Expenditure**

Since the authority will now be operating independently, their operating costs is expected to rise significantly to establish their support services functions such as Human Resource, Finance, ICT etc... SCAA will now require additional support service staff to ensure their books, day-to-day operations and staff welfare are well maintained. Hence, additional recruitment will be required and other human resource cost namely learning and development, staff benefits, and human resource support costs will be included.

This budget also caters for other recurring costs such as rental, legal and auditing fees, insurance, ICT support & maintenance costs and maintenance of the authority's assets. A sum of SR46.4 million is estimated to meet the operating costs in the first year of separation.

## 1.1.8. KPIs, Risk Management Strategy and Reporting Obligations

### 1.1.8.1. Key Performance Indicators of the Seychelles Civil Aviation Authority

Achievements of KPIs								
Title of Key Performance Indicators	Description	Actual Figures			Provisional	Forecast		
		2021	2022	2023	2024	2025	2026	2027
Seychelles Civil Aviation Authority	ICAO USOAP overall safety oversight compliance rating.	41.04%	42.14%	42.14%	42.14%	65%	70%	80%
	ICAO USAP overall security oversight compliance rating.	58%	58%	58%	62.97%	above 75%	Above 80%	Above 85%
	No. of audited areas below 60%.	7	6	6	6	5	4	2

### 1.1.8.2. Risks and Resilience Plan of the Seychelles Civil Aviation Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	<ul style="list-style-type: none"> <li>• Constraints on revenue could lead to a weaker financial position and impact on SCAA's financial sustainability (considering that SCAA will be operating as a standalone and independent civil aviation authority, with the separation)</li> <li>• Potential Revenue streams are unable to support internal capacity building impacting on implementation of safety and security oversight programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of revised Safety and Security Scheme of Charges.</li> <li>• Explore new revenue generation strategies e.g. exportation of expertise in airworthiness to other states and introduction of new charges.</li> <li>• Regular reporting to the Management and Board on the SCAA's financial position.</li> </ul>
	<ul style="list-style-type: none"> <li>• Poor Stakeholder Relations</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain proactive engagement with industry stakeholders.</li> <li>• Develop a stakeholder management plan for SCAA.</li> </ul>
Financial Risks	<ul style="list-style-type: none"> <li>• Fluctuating interest rates, exchange rates, credit risks and liquidity risks.</li> <li>• Failure to deliver the planned sources of funding would have a significant negative financial impact on the delivery of SCAA plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Strong focus on cost containment.</li> <li>• Reserves Management Strategy.</li> <li>• Strong financial control systems with regular operational cash flow and cash balance position reporting.</li> </ul>
Operational Risks	<ul style="list-style-type: none"> <li>• Disruptions to operational activities could result in a significant financial/reputational impact on SCAA.</li> </ul>	<ul style="list-style-type: none"> <li>• Put in place well-developed business continuity plans and ensure resilience in our key systems and processes to ensure optimal response to any business continuity events and minimise the impact of the disruption.</li> </ul>
	<ul style="list-style-type: none"> <li>• Unavailability and Vulnerability of ICT Services.</li> <li>• Cyber Security</li> </ul>	<ul style="list-style-type: none"> <li>• Development of ICT Business Continuity Plan to manage significant disruption from a failure of ICT systems and preventive ICT security management.</li> <li>• Investment in ICT infrastructure, network, and ICT professionals.</li> <li>• ICT Governance (Policies &amp; Procedures).</li> <li>• Building internal capacity and upskilling of ICT professionals.</li> <li>• Introduction of Robust anti-virus and anti-spam mail solutions against cyber threats.</li> </ul>
	<ul style="list-style-type: none"> <li>• Failure to attract, recruit and/or retain qualified and experienced technical staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the Staff Retention Policy and review of the Remuneration Framework.</li> <li>• Implementation of new Scheme of Service</li> </ul>
Compliance and Regulatory Risks	<ul style="list-style-type: none"> <li>• Ineffective aviation safety and security oversight, and administration, resulting in non-compliance with ICAO SARPs.</li> <li>• Non-compliance/conformance to relevant legislation and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Closure of the ICVM CAP and Universal Security Audit Programme (USAP) Continuous Monitoring Approach (CMA) Corrective Actions.</li> <li>• Technical Cooperation with other states.</li> <li>• Inspections, Audits &amp; Operational assessments.</li> <li>• Develop a framework/mechanism to process and publish updated ICAO SARPs in a timely manner.</li> </ul>

		<ul style="list-style-type: none"> <li>• Continuous technical training.</li> </ul>
	<ul style="list-style-type: none"> <li>• Non-compliance with regulations and standards related to climate change and environmental sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement mitigation measures under CORSIA for period 2023-2025.</li> <li>• Ensure aviation-related environmental activities are consistent with the ICAO and UN system environmental protection policies and practices.</li> </ul>
<b>Environmental and Social Risks</b>	<ul style="list-style-type: none"> <li>• Global economic uncertainty, resulting in a reduction in passengers, rising fuel and energy costs, supply chain issues and significant currency fluctuations. These could have potential adverse impact on our business and operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.</li> </ul>
<b>PESTEL</b>	<ul style="list-style-type: none"> <li>• Global economic crisis, resulting in a reduction in passengers, rising fuel and energy cost, disruption in supply chain and significant currency fluctuations.</li> <li>• Environmental concerns including climate change and sustainability are becoming increasingly important in aviation.</li> <li>• Potential Change in Government may introduce various uncertainties including regulatory changes and socio-economic policy shifts.</li> </ul>	<ul style="list-style-type: none"> <li>• Close Monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.</li> <li>• Development of SCAA Business Continuity Management System.</li> <li>• Implementation of programmes to protect and preserve the environment.</li> <li>• Maintain engagement with policy makers and decision makers at Government Level</li> </ul>

### 1.1.8.3. List of External Reporting's by the Seychelles Civil Aviation Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
1. Annual Budget			4 months prior to the commencement of the preceding financial year.
2. Annual Report			Within 5 months from the end of every financial year.
3. Audited Financial Statements			Within 5 months from the end of the financial year.
4. Quarterly Reporting (Statement of the financial position, showing changes in cash position and operational performance of the public enterprise during that Quarter, including details of debt performance)		Details Not provided	Within 20 days after the end of every quarter of the financial year.
5. Statement of Corporate Intent (Note that this has been merged with the MTFS)			One month after the start of the financial year. End of January.
6. Statement of Financial and Operational Performance			20 days after the end of every month.

7. Estimates of the Profit & Loss, Capital Expenditure, Cash flow and Balance sheet projections.	As may be determined by the commission.
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### **1.1.9. Stakeholder Engagement**

#### **1.1.9.1. Statement by CEO**

It gives me great pleasure to present the SCAA's Medium-Term Financial Strategy (MTFS) for the next triennium (2025-2027). This MTFS sets out SCAA's financial plan for achieving its strategic objectives and priorities, taking into consideration its funding, its revenue sources and spending ambitions over the next three years.

- It focuses on linking its expenditure to the Authority's strategic priorities, in a cost-effective manner.
- It highlights the underlying financial strategy, financial assumptions, and financial risks.
- It summarises the financial projections for income and expenditure.

As part of the new SCAA's financial planning process, this MTFS incorporates a three-year plan annual budget and sets parameters which will guide deployment of resources and management of finances to ensure that a balanced budget and sustainable financial position is maintained in order to support its regulatory functions and obligations under the new SCAA Act 2024. This financial plan also considers the rate of inflation which may impact on the exchange rates and operational costs.

The key focus for SCAA for the next triennium will be to improve its effective implementation scores in aviation safety and security, through effective capacity building at technical level, participating in regional cooperation programmes from Regional Safety Oversight Organizations (RSOOs), and other regional bodies as may be recommended by ICAO. It's important that we remain positive and continue striving towards achieving our objectives.

'Connecting the world with Seychelles' through effective oversight and compliance will remain our core priority, thereby emphasizing the new SCAA's commitment to ensuring industry recognition as a reputable organization, having adequate financial and human resources that are highly trained to detect non-compliance to civil aviation standards and recommended practices, and take enforcement actions where necessary to protect the travelling public, prevent unlawful interference or other related activities that may endanger an aircraft and its passengers, whilst providing a safe and secure aviation environment.

Taking appropriate enforcement actions in preventing serious incidents or accidents and strengthening of the Authority's capabilities remain in the forefront. We understand that this is a challenging time, but together we will get through as a team. One of the Authority's priorities for 2025-2027 is to certify Seychelles International Airport.

It is worth noting that the Authority has declared the year 2025 theme as 'Attaining a higher level of compliance'. This theme is in line with one of our strategic priorities and a program for this theme will be deployed throughout 2025-2027, targeting specifically non-compliance to standards and ineffective resolution of safety and security issues at the level of the service providers and operators. It is through their unwavering commitment to address and resolve deficiencies identified through inspections and audits conducted by the Authority that the overall effective implementation score for Seychelles will improve to a higher level.

Over the next three years, the Authority expects to fully implement its revised scheme of charges that will complement our revenue, leading to our long-term goal to reduce reliance on traditional revenue sources, mitigate global risks and enable business continuity, as part of our commercial strategy.

I am confident that under the stewardship of our new Board, the new SCAA will remain committed to delivering on set performance targets, whilst maintaining strict financial discipline of its resource allocation to ensure a sustainable operation as the State Aviation Regulator.

*Mr. Garry Albert  
Chief Executive Officer*

### **1.1.9.2. Foreword by Chairperson**

Building upon the achievements of 2023, the financial strategy set out in this MFTS ensures that SCAA's finances are aligned to the delivery of its strategic objectives through the coming years and presents a clear route which – if followed carefully – will secure a much-improved financial position in future years. It also enhances the process of deepening the transparency and inclusivity of our strategic financial planning.

With its renewed financial strength, the SCAA is now in a better position to re-energise its business, and to deliver on its strategic objectives which are Financial Sustainability, Service and Operations excellence and Safety and Security compliance. The investments planned for the next three years will ensure that key risks such as the airport's ageing infrastructure are addressed and will support the increased capacity demand for the air transport industry.

The aviation industry will always face challenges, which if not addressed in good time, impedes our ability to deliver quality products and services and achieve set targets. A persisting challenge is the recruitment and retention of qualified staff, and implementation of major projects required and critical for continued smooth and safe operation of the airports. We will be putting forward a staff retention strategy, inclusive of a review of our remuneration framework to tackle our human capital challenges. We will also endeavor to modernize our operations and venture into alternative forms of investments as will be further detailed in our updated investment plan.

Despite unforeseen delays for the separation of the SCAA, the process is expected to be completed in 2024. This separation will allow the new Civil Aviation Authority and the Airport Authority to renew their vision, further strengthen their mandate and pave ahead with plans to modernise the civil aviation industry and continued success for the future. Government is also expected to pronounce on a concrete way forward for implementation of the Airport development project as per the Master Plan Review.

Whilst we acknowledge that there are several risks associated with the medium-term financial forecast as clearly future events cannot be accurately predicted, and the economic outlook can change quickly, the Authority remains aware of these risks and will actively be managing them.

The Board remains committed to ensuring that SCAA continues to improve its financial sustainability, remain a high performance by the organization, improve its service delivery & enhance passenger experience through more efficient, smooth, and safe operations.

*Mr. Wilfred Fock Tave  
Chairperson SCAA*

### **1.1.9.3. Statement by the Minister Responsible for Transport**

The Seychelles Civil Aviation Authority (SCAA) remains steadfast as the cornerstone of our aviation industry, committed to safeguarding safety, ensuring security, and enhancing the overall passenger experience in our skies. As the Minister responsible for Civil Aviation, I emphasize the critical importance of a comprehensive approach that encompasses safety, security, infrastructure investment, and a seamless passenger journey in our nation's air transport network.

Our commitment to the SCAA extends beyond the mere advancement of our aviation sector. It is about fostering a culture of safety, where proactive measures are taken to continually improve safety standards and uphold stringent security protocols. We are dedicated to further investing in cutting-edge technologies and infrastructure that ensure the highest level of safety and security for all air travellers.

The SCAA's role is not solely about optimizing connectivity and fortifying competitiveness. It equally involves substantial investment in infrastructure to support the growing demands of our aviation sector. We're committed to substantial investment in modernizing our airports, air traffic control systems, and other vital infrastructure, ensuring a seamless and efficient experience for passengers while upholding the highest safety standards.

Moreover, our vision for the SCAA embraces a holistic passenger-centric approach. We aim to enhance the overall travel experience by advocating for measures that prioritize passenger convenience, comfort, and satisfaction. This includes initiatives to streamline airport procedures, improve waiting areas, and invest in passenger-friendly technologies, ensuring a hassle-free and enjoyable journey for all travellers.

The sustainability and resilience of the SCAA and its stakeholders are fundamental pillars of our strategy. While we champion environmental impact, economic viability, and operational resilience, we equally recognize the pivotal role safety and security play in sustaining and growing our aviation sector. Our commitment encompasses actively advocating for fuel efficiency, exploring sustainable aviation technologies, while ensuring safety and security standards are uncompromised.

Central to our aviation industry's growth is our dedication to fostering fair competition and ensuring equitable market access. We remain resolute in our mission to create a level playing field, while ensuring safety and security measures are at the forefront of our operations, thereby acting as a catalyst for innovation and enhanced service delivery.

In addition to our core objectives, the SCAA is dedicated to cultivating and retaining local talent, while creating high-paying job opportunities for our Seychellois community. We recognize the significance of nurturing our local workforce, empowering individuals with the skills and knowledge vital to the aviation sector. Our aim is to provide comprehensive training and career pathways that allow our citizens to excel within the SCAA and the broader aviation industry. By investing in education and skill development programs, we seek to empower our citizens with the expertise necessary for a successful career in aviation. Our commitment is to offer opportunities for career advancement, competitive compensation, and a supportive environment that recognizes and values the contributions of our local professionals.

In conclusion, our dedication to the SCAA and the broader aviation sector remains unwavering. We persistently strive to ensure that our policies and strategies promote safety, security, sustainability, fairness, and excellence within our aviation industry, and also the cultivation of local talent and the creation of high-paying job opportunities for our archipelago. Together, we will continue to elevate Seychelles as a beacon of excellence in the global aviation arena, ensuring safety, security; a skilled local workforce that forms the foundation of our industry, and for our valued citizens and tourists, a superior passenger experience.”

*Mr. Antony Derjacques  
Minister for Transport*