

# **A Summary of the St Helena Sustainable Development Plan**

## **What is It ?**

One of the principal responsibilities of the Government of St. Helena is to organise itself, with the support of the people it represents and such support from the United Kingdom and elsewhere as it can obtain, to increase the wealth and improve the welfare of the population. The Vision for St Helena is “a prosperous, peaceful and democratic society for all achieved through sustainable economic, environmental and social development leading to a healthy and eventually financially independent St Helena.” Inevitably not everything can be done immediately and so, in consultation with interested individuals and bodies, the Government tries to identify the most important things to achieve in each field, works out which of these can be afforded, how best to achieve them, who will hold responsibility for taking matters forward, and tries to ensure that resources are available to support the necessary actions.

The plan, or “SDP”, is not intended to be a detailed blueprint for all this. Rather it is a clear statement of broad intent, drawn up on a three-year rolling basis with the first three year period covering 2007/8 to 2009/10. It offers clear guidelines to all those public and private agencies in St. Helena who will be involved in and affected by the changes that will take place in the territory, as well as giving to external agencies, that is both official and possible private foreign investors, an insight into what is proposed for the island in the years ahead. It has four main pillars:

- \* Growth through private sector development
- \* Investment in human and physical infrastructure, and care for the environment
- \* Care for the vulnerable - that is health and social welfare
- \* Public sector modernisation.

These are each explained below.

## **The Current Situation**

Since St. Helena ceased the export of flax over 40 years ago its dominant characteristic has been its physical isolation. For many years the only regular link with the outside world has been that of the heavily subsidised RMS St. Helena. The dominant employer has become the Government, again heavily supported by grants from the UK. There is a modest private sector with 200 small businesses involved in agriculture, fisheries, tourism, construction, trade and a range of other services. But increasingly the young and skilled have sought employment overseas and the resident population has now fallen to around 4,000.

Certainly unemployment has fallen in recent years, and incomes have risen, but this has been funded by a combination of remittance flows from increasing numbers of Saints working overseas and rising aid flows from the UK and the EU. Tax revenues raised in St Helena have increased reflecting these higher incomes, but not rapidly enough to fund the recent rises in the costs of pensions, health care and public works. Public spending has now risen to just under £5,000 a head, with Britain funding just over £3,000 of this.

## **The Next Decade**

The decision to build an airport on St. Helena will substantially end the current isolation of the island in the next five to six years. The airport is itself a major investment and the construction activity will generate a considerable demand for services. When it is complete in 2012 it will open up a range of opportunities, particularly in tourism. But it will also have a number of impacts in areas such as prices and the provision of public services. Over the next

four years all this needs to be thought through in order that the benefits are maximised and the costs minimised. These are very much the issues that the SDP is trying to address.

### **Growth and the Development of the Private Sector**

Ensuring that existing locally-owned businesses can take advantage and grow, and that new ones are established will, together with the attraction of appropriate inward investment, be vital to the future welfare of the island. To achieve this every effort will be made to improve the climate for investment with appropriate incentives, the re-design of the tax regime for business, the elimination of unnecessary business regulation and the updating of some pertinent legislation.

Vital to future private domestic and foreign investment will be access to land and straightforward procedures for the granting of work permits and priority attention will be devoted to these issues. Finally, maximizing the return to St Helena from the expected economic growth must involve ensuring that the island's education and training systems produce as much appropriately skilled manpower as will be possible in the coming years. Certainly some skills will need to be imported - hopefully many from Saints currently working overseas, but every opportunity must be taken to ensure that the domestic labour force does not miss out on the many opportunities that will come up, and that St Helena does attract the skills needed to maximise the benefits from investment in development.

In recent years some attempts have been made to move certain activities from the public into the private sector as the latter is seen as being more efficient at the provision of certain goods and services. To this end an outsourcing programme will be implemented.

The St Helena Development Agency (SHDA) holds the responsibility for providing a range of **business support services** such as assisting with start-ups, training in business skills, and helping with access to business development loans. This, together with the promotion and support of appropriate inward investment, will grow as new business grows. This will involve what will be an important change in emphasis for the authorities, away from the control and regulation of business towards its facilitation and promotion. Moreover it is expected that a number of private sector representative organisations such as the Chamber of Commerce, the National Economic Forum, the Tourism Association, the Builders and Allied Trades Association and the Farmers and Fisheries Associations will work closely with the Government to support both this policy change and the design and development of further initiatives.

With air access, **tourism** is forecast to be the principal source of economic growth, some involving some domestic and foreign investment. A policy has recently been formulated for this major development involving the provision of support for selected environmentally sensitive investments such as hotels, villas and supporting facilities - which will maximize benefits to the island. Attention will be given to the improvement of historic buildings and nature trails and the strengthening of land and maritime conservation programmes with the focussing of tourist development in certain areas under the new Land Development Control Plan. There will be strict application of building and environmental codes in all sensitive areas.

The tourism market being sought will be very much "up market" and related to the character of the island and it will be critical that this "character" is, as far as possible, preserved.

In **agriculture, forestry and fisheries** there is some scope for both decreasing the large share of foodstuffs imported and the provision of inputs such as souvenirs to a growing tourist industry - for example wood carvings, honey, seed work and confectionary. The Agriculture and Natural Resources Department (ANRD) will review a number of its responsibilities - for example outsourcing a number of activities. In fisheries a Marine Management Plan will be

developed, aiming to optimise the exploitation of marine resources and reviewing the regulation of the fishing industry. Much of the current departmental activity in forestry will be considered for outsourcing.

There is currently some upward pressure on land and house prices. Air access will undoubtedly further influence property values and serious thought has been given to how **land and housing** policy should respond to this. The more efficient utilisation of land will involve the enforcement of the new Land Development Control Plan and, related to this, the Crown land disposal policy is currently under review. Also it is recognised that there is a need to relate utility infrastructure investment closely to housing development plans - on a full-cost recovery basis, and to direct subsidised social housing increasingly to those most in need.

It is critical to private sector growth that a clear and well understood policy on foreign land ownership is developed. An open process for land acquisition by foreigners will be introduced but measures will be considered to protect the local population from excessive land price inflation.

Some Government offices might be relocated out of key historic buildings, possibly to vacated primary schools.

### **Human Resources**

Ensuring a well functioning **labour market** is a further central element of the SDP. Providing the skills needed by the market will require a programme of vocational training and an Adult and Vocational Education Service (AVES) is being developed to achieve this. Also employee rights will be protected through new labour legislation, an island-wide contributory pension scheme will be considered, an active role will be taken in placing Saint workers with the contractors undertaking airport construction, and every effort will continue to be made to provide the unemployed with appropriate training. Over the coming year, the Government will pay particular attention to the design of a comprehensive immigration policy to deal with the inevitable influx of both temporary and permanent residents, and will begin to consider long-term work force planning, including a global approach to labour force recruitment.

**Education** services at primary and secondary levels are of course key in ensuring the development of young people as responsible citizens who have the basic knowledge and skills essential to a modern economy. Much has been achieved in recent years in improving the efficiency and quality of education services and this effort must continue. At primary level the key reform over the next three years will be a reduction in the number of schools from six to three. This, together with increased devolution to individual schools to allow them to manage many of their own affairs, will bring about a considerable improvement in operational efficiency, and there may be opportunities for further reform. At secondary level the Prince Andrew School will undertake some further reform of its curriculum and, as at the primary level, there will be a move toward higher, economically viable, pupil: teacher ratios. Particular attention will also be devoted to improving the career development paths available to teachers to try and ensure that high quality staff can be retained. Finally, sport and leisure facilities at Francis Plain will be developed as a community resource, available for the use of both Saints and tourists.

### **Infrastructure and the Environment**

The dominant infrastructural investment will of course be the **airport**, construction of which is expected to start in 2008. When operational in perhaps 2012, flights are expected to be undertaken to and from South Africa, and perhaps the UK and other destinations. These will be utilised by Saints, in particular those working and living overseas, and increasingly tourists. The port at Ruperts Bay and a road connecting this to the airport site at Prosperous Bay Plain will be developed to accommodate the construction materials.

Over the next three years there will also be substantial investment in improving the facilities for handling both cargo and passengers at **Jamestown wharf**.

A full review of the island's need for **road and public utility infrastructure** was recently undertaken. The conclusion of this study is that the major effort over the next few years should be to bring existing infrastructure up to a level where it can be easily maintained, particularly in the case of roads, water supply and sewerage. For electricity there will be a need for significant investment, both to expand the distribution system, and to increase the share of renewable power generation, particularly wind energy.

A range of activities such as road maintenance, transport services and public utilities will be considered for outsourcing, and for those utilities retained in public ownership, attention will be given to ensuring that personnel with the required technical and management skills can be retained. The public transportation system will be the subject of a study and the case for continuing public subsidies will be reviewed.

Improved **telecommunication** links are needed and Cable and Wireless plans to introduce a broadband internet facility shortly. An assessment will be made of the various options to secure a suitable telecommunications service beyond 2012 when the current Cable & Wireless licence expires.

In 2001 St Helena signed the **Environmental Charter** and a Strategy for Action to implement this charter was further developed following a series of workshops in 2005. This Strategy is employed by all of those government and non-government agencies involved in environmental activities. The initiatives being pursued include adequate land-use control, improved waste management, the protection of indigenous and endemic flora and fauna, as well as the maritime environment, and participation in a Disaster Management Committee. An inventory will be made of the island's historic buildings and a policy for maintaining this heritage will be developed involving the St. Helena National Trust, the Public Works and Services Department, and private owners. Further training in the range of skills needed for the various aspects of environmental protection will be provided.

The Environmental Planning and Development Section in the Department for Economic Planning and Development (DEPD) will hold the responsibility for ensuring that environmental screening and impact assessments are an integral part of the planning process for development projects. Legislation bearing on this will shortly be introduced. An environmental impact assessment of the airfield project is currently being undertaken. A review will also be undertaken of the variety of institutional arrangements covering the range of St Helena's environmental concerns, in particular to address the issue of co-ordination and to assess the need for a central environmental agency.

### **Health Care**

In recent years the costs to the Government of health care have risen substantially and an emphasis must now be placed on improving the efficiency of service delivery and improved cost recovery from those who have the ability to pay. Service provision will be based on recognised standards to ensure consistency and quality, with an increasing emphasis on preventative measures and care of the growing elderly population.

Specific action will be needed in a number of areas including the improvement in the provision of residential health care to the elderly, awareness-raising campaigns on particular health issues, improvements in the service scheme covering health staff to ensure that essential skilled personnel are recruited and retained, and the utilisation of air access for both incoming expertise and outgoing referrals. The full costs of each service have been determined and particular attention will be paid to both cost recovery and the introduction of health insurance arrangements for Saints working overseas who will expect access to health

services as and when they resettle on the island. All foreigners will be required to hold medical insurance.

### **Social Welfare**

The Government fully accepts the responsibility to protect and support the vulnerable in society. As cost recovery is sought in a variety of areas, such as public utilities and health service, and air access has its impact on the island economy it will become increasingly important to ensure that the limited resources which are available to provide welfare support are more effectively **targeted** at those most in need. This targeting may require some robust legal support and this will be urgently examined. The range of allowances available and the procedures followed in delivering access to these allowances will also be the subject of a study, again aiming to ensure the provision of efficient and effective support.

There will be increased **co-ordination** between concerned agencies - the Employment and Social Security Department (ESSD), the Department of Education (DE), and the Department of Health and Social Services (DHSS) - as so many of the poor, unemployed, disabled, sick and elderly - fall into more than one category and are the concern of more than one of these agencies. Those elements of civil society that are very close to these groups and can mobilise supplementary human and financial resources will also be closely involved with coordinating their efforts with those of the above Departments.

Improved targeting must also be applied to the limited stocks of **social housing**. Rents will also be gradually increased towards commercial levels, accompanied by increased welfare assistance to those unable to pay. House purchase by tenants will continue to be encouraged with the receipts employed in building new housing, the renovation of existing stock, and the subdivision of the underutilised large housing units.

### **Public Sector Modernisation**

Some major reform and restructuring of the institutions of government will be undertaken over the next three years, both to make the system a more efficient and effective provider of a range of public services, and to ensure that it can attract and keep the skilled personnel it must have. There will be some restructuring of Departments, some changes in systems and procedures, a review of any legal and procedural restrictions to the proposed reforms, and the active promotion of outsourcing and sub-contracting where this is identified as in the public interest.

This will be a complex package of interrelated measures and putting it in place will require strong leadership, a weighty management input, and the active positive participation of most of the public service. Departmental functions will be reviewed and detailed action plans drawn up for each major agency, involving both the implementation of the SDP and, in particular, their own package of reforms. Designing and introducing enhanced schemes of service will involve a range of particular challenges - for example trying to design appropriate incentives for some staff to remain. Reforming certain practices and procedures, for example those relating to the decision making process within and between agencies, will also be vital but not easily introduced and implemented.

Particular attention will be devoted to the management of **public finance** - that is the revenues and expenditures of government. The British Government has agreed to finance air access as it sees this as key to ending St Helena's growing dependence on British aid. But the airport investment cannot be considered in isolation as ending aid dependence will also require a range of actions by the authorities to ensure that a significant share of the potential benefits are realised, and that these benefit Saints and St Helena as much as possible. Many of the policies in the SDP relate to this, and some of these relate specifically to public finance.

A **tax review** is planned to rationalise the tax structure, systems, and collection machinery. Plans are currently in place to increase the revenues raised from the provision of a range of

services provided by public agencies, and the effectiveness of a range of subsidies in areas such as agriculture and public transport will be subject to a review.

In relation to **expenditure** it is planned to improve the current linkages between stated public policy and the structure of public expenditure, moving from annual to multi-year budgets to facilitate this - with each Department's multi-year action plan linked directly to this budget. The financial and audit Legislative Framework will be updated and improved, the internal audit function within the machinery of government will be made more robust, and an increased effort will be made to make the various revenue and expenditure statements produced by the Government more accessible and easily understood by the general public.

### **Territorial Security and Disaster Management**

Very small territories such as St. Helena are particularly vulnerable in this area and once the airport is operational this will take on a new dimension. Over the next four years resources and training will be provided to develop efficient and high quality police and fire services and to provide effective security, immigration and emergency services at the airport. A Disaster Management Plan will be prepared.

### **Consultation**

In the preparation of the SDP every effort has been made to consult and involve concerned agencies and individuals. The intention is that planning, which is very much an ongoing process, remain very much a consultative exercise. If you require any clarification on what you have read above or have any comment to make, or would like access to a copy of the full SDP, please contact the Chief Secretary. Written comment would be particularly appreciated.

**Government of St Helena**  
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