



St Helena's Sustainable Economic Development Plan

2018 - 2028

St Helena Government

End of Year Progress Report – July 2020

Background

St Helena's Sustainable Economic Development Plan (SEDP) 2018-2028 was endorsed by Executive Council in May 2018. In order to ensure that the SEDP continues to be effective, six monthly reviews of the actions were planned, alongside yearly updates of indicator data.

The speed of implementation of the SEDP largely depends upon a number of external factors including funding, private sector initiative and investor interest. Despite this, St Helena Government's Corporate Planning and Policy Unit (CPPU) have been working to an internal implementation plan which assigns responsibilities and timescales. In the first few months after the SEDP was endorsed, the Chief Government Economist delivered presentations to teams within SHG and ESH who were responsible for delivering actions for the SEDP to ensure that the actions were well understood. Thereafter, CPPU's performance manager have been monitoring progress.

The SEDP presents many actions required to achieve the SEDP goals. In order to avoid overloading the reader with information, this update only reports progress against actions pegged to be started or achieved within the 2019-20 year.

The actions outlined in this report are important because they reduce barriers or open up opportunities to economic development and help to achieve the SEDP vision. The SEDP vision is to achieve development which is economically, environmentally and socially sustainable and this vision will be achieved by increasing standards of living and quality of life; not relying on aid payments from the UK in the longer term; whilst affording to maintain the island's infrastructure; achieve more money coming into St Helena than going out and sustain and improve St Helena's natural resources for this generation and the next. The goals, as set out in the SEDP, which will help achieve the vision are as follows:

- 1. Increase Exports**

Selling goods made, grown or caught in St Helena to markets abroad and people from abroad increases the amount of money entering St Helena, which can help raise standards of living.
- 2. Substitute Imports**

Buying and consuming goods and services made, grown or caught in St Helena rather than buying and consuming imported goods and services reduces the amount of money leaving St Helena.
- 3. Attract Visitors and Increase Tourism**

Encouraging the provision of tourist infrastructure required for a variety of visitor needs from hotels, restaurants and attractions serviced by a skilled and customer focused workforce.
- 4. Mitigate impacts of inflation on the lowest income groups**

Avoiding reduction in purchasing power by the lowest income groups by regularly reviewing the Minimum Wage and Social Protection benefits.
- 5. Improve Land Productivity**

Making use of derelict or underused brownfield land and changing use of existing property to provide space for businesses to thrive. Supporting businesses to make the most productive use of land.
- 6. Sustain and improve our Natural Capital**

Maintaining and enhancing St Helena's exceptional environment, landscape, heritage and cultural qualities for this generation and the next.
- 7. Improve Infrastructure**

Using tax revenue and other funding streams for investments to improve health, education, water, electricity, transport, risk management and other infrastructure.
- 8. Develop, Maintain and Attract a Skilled Workforce**

Ensuring that local people develop skills which will contribute to the growth of St Helena's economy. Providing the wages and incentives for St Helenians to come back to St Helena and stay on St Helena. Supporting inward migration particularly in sectors where there are skills or labour shortages.
- 9. Develop the Digital Economy**

Open up St Helena to new economic markets by investing in broadband services and infrastructure, work towards delivering a fibre optic cable for the island.
- 10. Reduce Leakage of Income**

Provide investment opportunities for people living on St Helena to buy into, as an alternative to investing abroad. Ensure some of the returns on overseas investment is kept within St Helena.

Indicator Data Performance

Indicator	Reporting	Baseline Data	Data available in 2020	Progress
Annual imports and exports of goods	Statistics Office	2017/18 imports: £17.1m (£19.9m including airport construction) 2017/8 exports: £348k	2019/20 imports: £19.8m 2019/20 exports: £354k (£295k fish, £59k coffee)	Imports were similar in 2019/20 compared to 2017/18 baseline figures, however when airport construction is removed, overall imports increased.
Average (median) employee income	Statistics Office	£8,460 in 2015/16 (2018/19 prices)	2016/17: £8,940 2017/18: £8,730 2018/19: £8,410	The real median wage from employment (inflation-adjusted) rose steadily during airport construction, from £8,010 in 2012/13 to £8,940 in 2016/17. But it has fallen slightly since.

Indicator	Reporting	Baseline Data	Data available in 2020	Progress
Gross value added by sector	Statistics Office	2017/18 (18/19 prices) Agriculture and Forestry: £220k Quarrying, Manufacturing, Electricity, Water, Sanitation: £3,200k Construction: £1,985k Wholesale and Retail Trade, Repair of Motor Vehicles: £4,902k Transportation: £1,531k Accommodation and Food Services: £380k Finance, Insurance, Information, Communication: 5,332k Real Estate: £1,482k Other Service Activities (excluding Government): £1,169k	2018/19 (18/19 prices) Agriculture and Forestry: £282k Quarrying, Manufacturing, Electricity, Water, Sanitation: £3,386k Construction: 1,410k Wholesale and Retail Trade, Repair of Motor Vehicles: £4,967k Transportation: £1,400k Accommodation and Food Services: £343k Finance, Insurance, Information, Communication: 5,021k Real Estate: £1,549k Other Service Activities (excluding Government): £1,124k	There has been an improvement in GVA in Agriculture and Forestry; Electricity, Water, Sanitation; Wholesale and Retail Trade, Repair of Motor Vehicles; and Real Estate sectors between 2017/18 and 2018/19.
GDP and GDP per capita,	Statistics Office	2017/18 in 18/19 market prices GDP: £39.050m GDP per capita: £8,490	2018/19 in 18/19 market prices GDP: £38.600m GDP per capita: £8,230	GDP decreased in 2018/19 by -1.1%, largely due to the expected impact of the end of airport construction activities. It is important to note that large aid-funded projects have a have significant influence on GDP growth on St Helena.

Indicator	Reporting	Baseline Data	Data available in 2020	Progress
Annual Inflation	Statistics Office	5.1% (Annual Average 2017 calendar year)	3.3% (Annual Average 2019 calendar year) 3.8% (Annual Average 2018 calendar year)	The inflation rate has steadily decreased over the last two years. Prices are still rising, but they are not rising as fast as they did in the previous two years.
Unemployment allowance claimants	Statistics Office	Average monthly claimants: 13 (2017/18)	Average monthly claimants for 2019/20: 42 2018/19: 23	The number of claimants has increased in both of the previous two years.
Working Age Population	Statistics Office	2,792 (as of Feb 2016, aged 19-64)	2,418 (as of June 2019; provisional estimate)	It is estimated that there has been a decrease of working age population. A population census is being planned for early 2021 which will improve the accuracy of these estimates
Number of visitors arriving by all means of transport (of which are for tourism or holiday)	Statistics Office	4,266 (1,350 tourism or holiday) (2017)	5,135 (2,485 tourism or holiday) (2019) 5,091 (2,363 tourism or holiday) (2018)	Number of holidaymakers in 2018 and 2019 have increased more than 80% compared to 2017
Number of visitors arriving by air (of which are for tourism or holiday)	Statistics Office	917 (394 tourism or holiday) (2017) Note that the commercial air service started on 14 October 2017	4,261 (2,450 tourism or holiday) (2019) 3,816 (2,051 tourism or holiday) (2018)	The number of holidaymakers arriving by air has increased by almost 20% in 2019 compared to 2018

Indicator	Reporting	Baseline Data	Data available in 2020	Progress
Number of rooms for tourists	ESH	122 rooms (as of 2018)	141 rooms (as of 2019/20)	There was no increase in rooms registered with St Helena Tourism. Throughout the year, accommodations de-registered and new accommodations registered.
Number of local and foreign investors secured by ESH	ESH	1 (as of 2017/18) ¹ [1]	5 (as of 2019/20)	The number of investors secured by ESH increased from 1 in 2017/18 to 5 in 2018/19. It is noted however that other investors proceed without support from ESH and these are not captured in this data.
Capital investment generated (£) by ESH (FDI and local private sector only)	ESH	£400,000 (as of 2017/18) ² [2]	£1,109,756 (as of 2019/20)	The amount of capital investment generated continue to grow year on year. This excludes investments taking place outside of ESH engagement and support.

¹ Note that the SEDP baseline was 12 (as of 2015/16). This, however, captured the 3 years prior to 2015/16. The baseline has now changed to reflect better data. In 2015/16 4 investors were secured. In 2016/17, 2 investors were secured. In 2017/18, 1 investor was secured and in 2018/19 5 investors were secured.

² Note that the SEDP baseline was as of 2015/16. The baseline has now changed to reflect better data. The time series statistics are £535,000 (as of 2015/16), £97,512 (as of 2016/17), £400,000 (as of 2017/18) and £1,058,000 (as of 2018/19)

Indicator	Reporting	Baseline Data	Data available in 2020	Progress
Individuals completing accredited training courses in SEDP related fields and achieving first year objectives	SHCC	New data to be collected	Increase in individuals trained effectively across all sectors (gender & disability disaggregated). <u>Achieved: 68.</u> (51(M), 17(F)). The provision of vocational skilled training has now largely switched to the St Helena Community College, and ESH no longer resources a bespoke Hospitality Training Manager. One-off training in key business areas such as polytunnel production continues to be delivered through partnership with others, in this case Agriculture and Natural Resources Directorate. No training took place in January to March 2020.	Increase in individuals trained effectively across all sectors

Economic Outlook

St Helena: The State of the Nation in 2020

This time last year, the SEDP update spoke of the tailing off of the airport construction project and a surge in visitor numbers thanks to the commercial air service. Despite the additional tourists, the reduction in construction had led to economic downturn, which was compounded by the lack of a government capital programme and a relatively weak Pound. At the time we reiterated we needed to focus on growing other parts of our economy, not just focusing on tourism as the panacea of growth. And our Sustainable Economic Development Plan was the road map to doing that.

In most of 2019 there was flattening of the downturn. The 2019-20 summer saw a boom in tourists and the economic environment was improving. Like the rest of the world, St Helena's economy has been adversely affected by the COVID-19 pandemic in 2020, but St Helena was relatively lucky that COVID-19 affected travel in March 2020, at the tail end of the tourist season. However, it is yet to be seen whether things can recover by the start of the 2020-21 tourist season in December 2020. St Helena has so far been COVID-19 free. A two-week quarantine exists currently, but decisions will need to be made later in the year about how to keep the population safe whilst enabling visitor movement.

This year we have been committed to regulatory reform, setting up the policy and legal frameworks for a modern future for St Helena. We have set up new institutions, new work streams and have been working with strategic investors to reform a number of industries.

The Research Institute launched in November 2019. Research funding provides a significant inflow of money into the island and we are pleased to help facilitate research and visiting researchers through this new institution.

The Ship Registry Policy was updated in October 2019 to broaden eligibility for yachts and pleasure vessels to be registered with the Red Ensign in St Helena. The eligibility criteria for registering commercial vessels will be reviewed at a later date, once the maritime audit is completed around September time.

We have also committed to developing a new Company Registry Policy in 2020. St Helena already administers a Company Registry but we intend to modernise the registry, bringing it in line with international obligations.

The Investment Strategy was agreed and new tax incentives for export and import substitution businesses came into force alongside the Approved Investor Scheme. The Investment Prospectus was endorsed and launched in October 2019. Not only did this outline opportunities for investment in St Helena, it also advertised strategic assets for sale, and provided information on financial incentives of investing in St Helena. We have had uptake from many local investors as well as inward investors, we are processing the sale of one SHG building, and have awarded Approved Investor Status to three local investors

and one inward investor. There are others in the pipeline. There is still a piece of work to do to streamline immigration processes for contributing inward investors and the details of that will be made public this financial year.

This year, we endorsed a new Labour Market Strategy that is intended to meet the needs of St Helena today while also providing a strong foundation on which to build the economy of tomorrow. In the first few months of implementation, we have already achieved important programmatic targets, including development of a data-driven Shortage Occupation List and guidance to assist employers in meeting their staffing needs while also protecting local workers. Alignment of customs duty exemptions effective from 1 April will ensure that both returning Saints and internationally-recruited workers are eligible for the same tax benefits, regardless of whether they work for SHG or a private sector employer.

This year also marked the beginning of the Economic Development Investment Programme, St Helena's first capital programme in three years. In the first year of the programme, we have approved projects totalling £4.6 million. The most significant portion of this investment has been in crucial rock fall protection for our ports and main roads. This work is a vital step toward relocating cargo operations from Jamestown to Rupert's and facilitating future development of the Jamestown Waterfront. In the near-term, the project has brought positive economic benefits associated with rental accommodation, car hire, food and beverage purchases and, most importantly, employment of local workers alongside the team completing the project. We estimate that the Project resulted in over a quarter million pounds injected into the local economy over the six months of the project (roughly £90 per day per contractor – similar to the amount spent by a person visiting St Helena to see friends or relatives, according to the Tourism Survey) plus employment of 26 local workers. 41% of the £187,000 project-level spending contributed to Tourism Providers (accommodation and car hire).

In terms of the environment, a new marine lab in Jamestown is progressing and SHG's Waste Management Service (WMS) have implemented aluminium drink cans recycling on site at HPLS with the intention of exporting this valuable waste stream. Plastics recycling is now being undertaken by Shape. We also see two new earth station antennas at the Met Office, these are contributing to global monitoring of climate and sea level rise.

There was an unusually dry climate in 2019-20, which resulted in a drought. Whilst this may or may not be the result of global climate change, it clearly demonstrated that St Helena must take steps to be resilient for the future. We intend for some of the EDIP capital funding to plug immediate water resource needs, but in order to plan for the needs of a developing population and economy in the future, we shall be developing a Water Resource Strategy in 2020 which will set the direction for infrastructure planning for the next 30 years.

In the fish processing sector, large reform is due. There are plans for the St Helena Fisherman's Co-Operative to form in 2020, and for the first time members of the commercial fishing community will take ownership of fish processing and fish exportation too. It is planned for an exploratory fishing licence for Bigeye tuna to enable a new science programme at the sea mounts which will provide useful marine data.

Of course the biggest progress with regards to the enabling environment is the signing of the agreement to land a branch of the Equiano Fibre Optic cable on St Helena. A task force has been mobilised to ensure that the Cable Landing Station is constructed. The cable is being manufactured, will be laid in 2021

with the intention that the cable will go live in early 2022. Since the exclusive public telecommunications licence with Sure South Atlantic will expire after 31 December 2022, this Government will be working to negotiate a new public communications networks and services licence and new packages for the public to take the fullest advantage of the significantly increased bandwidth. This will be negotiated on the basis of the strategic direction given within a new Electronic Communications Networks and Services Policy developed in 2020.

Until COVID-19 restrictions, tourism has seen a good increase, in line with what was predicted. There were 4,264 arrivals and 4,305 departures by air in 2019, which was an increase relative to 2018 by 12% and 13% respectively. There is continued PR about the island with articles about St Helena featuring in The Guardian, the National Geographic, BBC History Magazine, CNN and more. A documentary by Wendover Productions called ‘the World’s most useful airport’ best explains the ongoing significance of the airport for St Helena’s people.

DFID Infrastructure spending was a significant fiscal stimulus to the economy between 2012 and 2014, producing a buoyant construction industry, increasing the working age population and allowing for a multiplier effect across the economy, causing increases in incomes and wealth. However, last year we noted in the budget that there had been a downturn. In 2019 that downturn flattened, creating the new ‘business as usual’, that was until the risk of COVID-19 had caused a recent curtailing of visiting tourists and a slowdown in sales, the true force of that we will be able to analyse in a few months’ time.

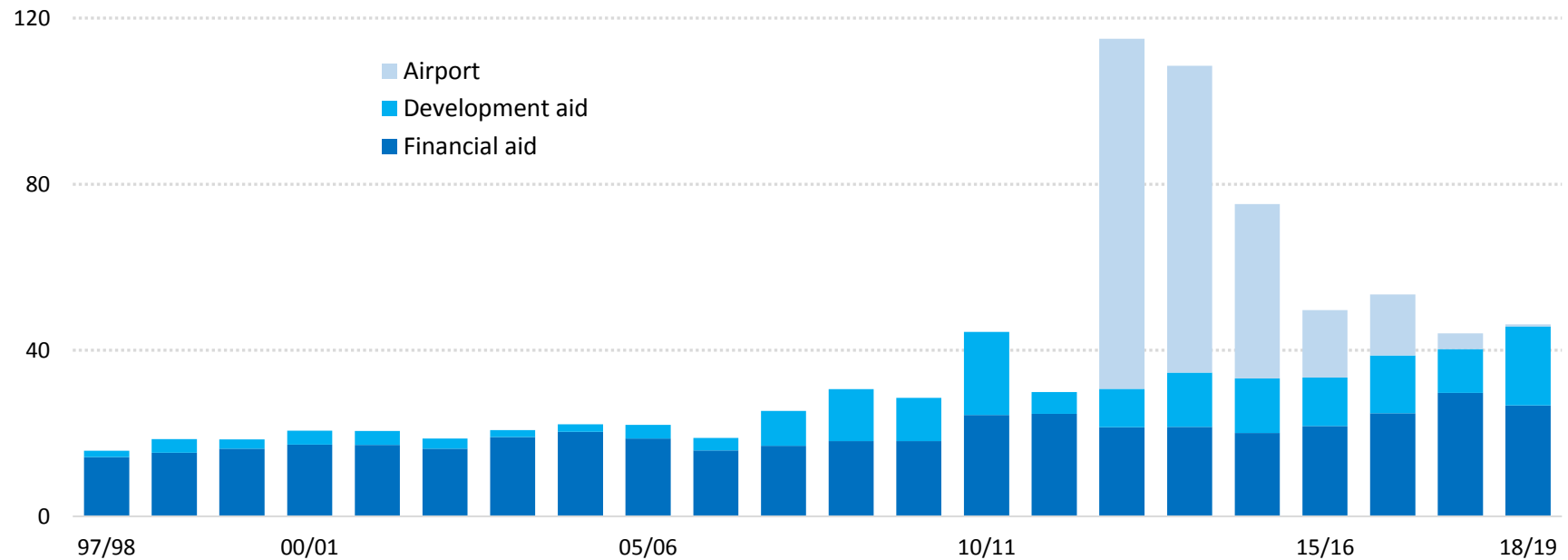


Figure 1 Financial Aid in 2018/19 prices

2018/19 development aid includes a substantial payment from the EDF for the fibre optic cable project, not all this is DFID.

Our Business Survey, conducted in November 2019 shows 85% of the construction businesses suggesting that their demand is decreasing and that they intend to reduce staff (28%), with only 5% saying that their demand is increasing. Over half (68%) believe that running costs are increasing.

This has had knock on effects. St Helena's highest income earners and male workers continue to experience a small average decrease in income. And the number of people and households receiving benefits (Income Related Benefit, (IRB) and Unemployment Allowance (UA)) increased over the last year. With a squeeze on some of the higher paid incomes, and more entrants to the sector 56% of accommodation and food service businesses say they think demand is decreasing (with only 15% say that demand is increasing).

Other sectors, however, continue to be more positive, with 31% of agriculture, forestry and fishing saying demand is increasing (compared to 25% who say it is decreasing). In each sector there are some opposing views, which show that some more competitive businesses, who trade at lower prices and/or with a higher quality may be expanding their share of the market, leaving some less competitive businesses behind.

The annual price inflation rate was 2.9%, measured using the Retail Price Index (RPI)³ which was lower than last year's prediction issued in July of 4.2%.

³ For the purposes of the budget, the annual inflation rate from Quarter 3 is always used each year.

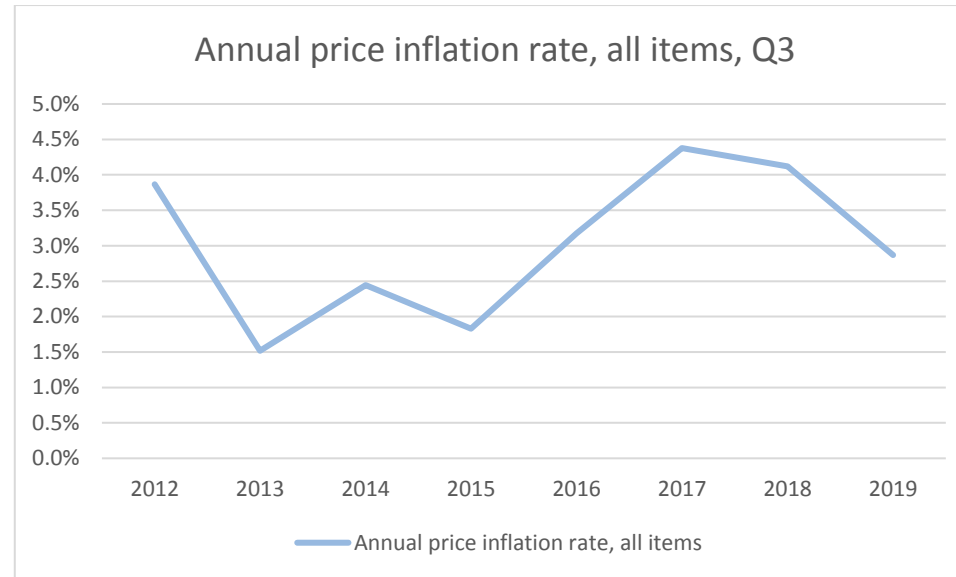


Figure 2: Annual Price Inflation

Inflation is linked to South African and UK Inflation⁴. As prices in the UK and South Africa increase, St Helena's prices also increase. South African prices are also influenced by the exchange rate of the Pound to the Rand – although the Pound has been weak internationally because of Brexit, the Rand has been weaker still, which has tended to dampen the effect of inflation in South Africa.

St Helena Government continues to change the Minimum Wage and income benefits to ensure the lowest paid do not struggle with inflationary pressures. The adult Minimum Wage increased £3.13 per hour in April 2019 and will increase to £3.18 per hour in April 2020. The Minimum wage for 16 and 17-year olds increased to £2.18 per hour in April 2019 and will increase to £2.23 per hour in April 2020. St Helena's Minimum Wage first came into place in June 2013 and at the time was £2.30 per hour for adults. The Minimum Wage has increased by 38% since inception, which is larger than inflation which has seen a 21% increase in prices since 2013.

The poverty level (as measured using the Minimum Income Standard, MIS in February 2020) is £91.80 a week for an adult (including housing rent) or £4,774 a year.

⁴ Regression analysis undertaken demonstrates that St Helena inflation can be estimated as $\frac{1}{3} \times \text{UK inflation} + \frac{2}{3} \times \text{South African inflation (adjusted for exchange rate??)}$.

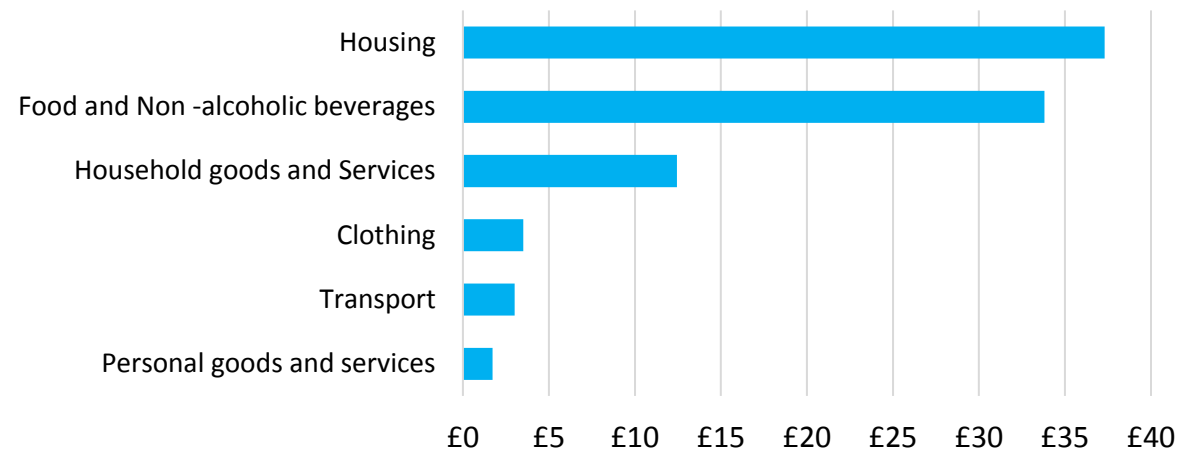


Figure 3 Current MIS basket composition, per week, 2020

The MIS sets both the Income Related Benefit, which is means tested, and the Basic Island Pension, which is based upon criteria pertaining to the number of years worked in St Helena. The number of recipients of the Basic Island Pension increased by more than 4% (one result of St Helena's aging population) from 738 in September 2018 to 772 in September 2019.

There were an estimated 4,360 people resident on St Helena (excluding residents temporarily abroad) at the end of January 2020, compared with 4,490 at the same point in the previous year - a drop of 130 people (there were 33 deaths and 28 births in this period, which is a small part of this change). Population totals can vary quite widely from month to month on a small island, but the average 12-month net change for the last year (February 2019 to January 2020) was a fall of 130 persons, likely indicating a net outward migration of residents of just under 125 on average, accounting for births and deaths. The picture is similar among St Helenian residents, over the last year the average 12-month drop in the population of St Helenians living on St Helena (including any temporarily away) was 75.

Median income from full-time employment in 2018/19 was £8,410 per year. This was less than 30% of the UK median wage equivalent, which was calculated by the ONS as £30,350 in 2019. The median income was a drop in real terms of 0.7% compared to the previous year (i.e. accounting for inflation). The lowest earners and female workers experienced a small average increase in income, largely as a result of the Minimum Wage being increased. Highest income earners and male workers experienced a small average decrease in income, largely as a result of the construction industry experiencing downturn. Number of full-time employees eligible for income tax (i.e. above the £7,000 threshold) has increased from 943 in 12/13 to 1,597

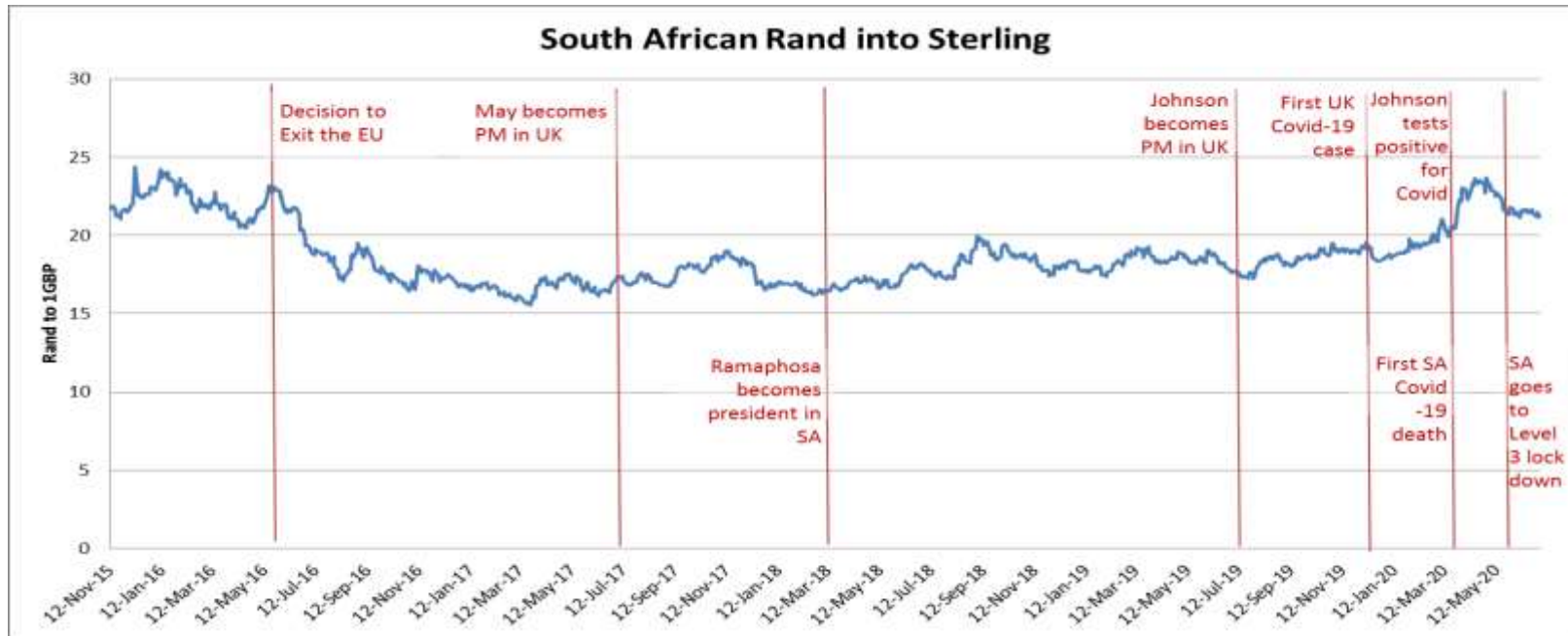
in 17/18, largely as a result of the Minimum Wage pushing up low incomes. Number of employees earning above the minimum wage has been steady for the last three years, at about 2,000.

The most critical statistic for St Helena's development at present is its trade balance. In 2019/20 St Helena imported £19.8m of goods, mostly purchased from South Africa (46%) and the United Kingdom (41%); In the last year before the airport project began, 2011/12, total imports were £13.0m.

Tourism services is St Helena's biggest export: expenditure of holiday visitors (Saint and non-Saint) in 2019/20 is estimated to be around £4.9-6.1m, based on a small sample of visitors departing from the airport (tourists were estimated to spend between £150 and £190 per day, St Helenians living abroad visiting family and friends on St Helena were estimated to spend about £90 to £110 per day, and business visitors were estimated to spend between £120 and £150 a day). Exports of goods totalled £0.35m in 2019/20, mostly fish (£0.29m) and coffee (£0.06m).

There are a number of issues which will affect the inflation rate this year. Predominately, these are:

1. The longer-term effects of the COVID-19 virus and its impact on global production, demand and prices.
2. Changes in the exchange rate of the Pound against the Rand and the Dollar; this affects the price of goods and services imported from South Africa and the price of oil respectively.



3. Price inflation in South Africa, which fell from an annual rate of 3.7% in Q1 2019 to 3.6% in Q1 2020. This affects the price of goods and services imported from South Africa. In previous years, drought and the political environment have affected inflation in South Africa.
4. Price inflation in the UK, which fell from an annual rate of 2.2% in Q4 2018 to 1.5% in Q4 2019. This affects the price of goods and services imported from the UK. Brexit and other shocks like COVID-19 affect UK prices, which would be passed on to St Helena with an approximately three-month lag.

Inflation forecasts undertaken in May 2020 estimates inflation for 2020-21 to be 2.2%, for 2021-22 to be 2.6% and 2022-23 to be 3%.

In last year's budget we talked about the requirement to turn a corner in St Helena's fortunes. We have made good progress this financial year in enabling the environment to do that. And the data shows a flattening of the downturn. We intend to keep working through the adversity to ensure that the Island makes the most of its comparative advantages and develop into a prosperous place to live and work.

Nicole Shamier
Chief Government Economist
St Helena Government

SEDP Progress Summary

Progress to date: July 2020

The progress within the twelve months of 2019/20 shows positive movement in many of the SEDP sectors. The headlines are as follows:





- To date, we have successfully kept the Island COVID 19 free. New coronavirus testing services were developed, supplies were received and the quarantine, isolation and medical facilities at Bradleys' were developed in an incredible 6 weeks, all significant achievements given the limited resources available
- Standard and Poor's (S&P) awarded St Helena an investment grade credit rating of BBB- this year.
- The UK Government approved a new economic development capital investment programme of £30 million over 6 years. Spending on St Helena's Economic Development Investment Programme (EDIP) was agreed for the micro-projects budget, rock fall protection, IT investment and consultancy support. Rock fall protection proceeded in 2020, allowing for safer operation of the port in Rupert's.
- SHG received the second tranche of EDF 11 funding from the EU amounting to €3.5 million which will be used to fund the St Helena branch on the Equiano cable project. A contract was signed in December 2019 with Google for a branching unit on the Equiano cable to deliver superfast broadband to St Helena. Planning permission has been granted and work has begun to build the Cable Landing Station in Rupert's Valley. A visioning exercise was also undertaken with the public in July 2019 which led to the development of a 'needs and delighters paper' which outlines public expectations on the realisation of the Digital Strategy.
- The New Earth Station licensing policy was agreed, laying the groundwork for a new revenue stream made possible through the fibre optic cable. We also see two new earth station antennas at the Met Office, these are contributing to global monitoring of climate and sea level rise.
- The Investment Prospectus was endorsed and launched in October 2019 with an event in St Helena and London. This includes information on starting up and expanding business. <http://www.investinsthelena.com/project-details/investment/>. We have had uptake from many local investors as well as inward investors and have granted Approved Investment Status to three local investors and one inward investor to date. A number of strategic assets advertised in the prospectus have been sold or leased.
- The Research Institute Launched in November 2019 with an event in St Helena and London. The launch included a competition for researchers willing to develop an academic paper evaluating the impacts of achieving St Helena's Digital Strategy.
- The Ship Registry Policy was updated in October 2019 to broaden eligibility for yachts and pleasure vessels to be registered with the Red Ensign in St Helena. <https://www.sainthelena.gov.sh/public-services/registry/>
- In December 2019, SHG endorsed a new Labour Market Strategy that is intended to meet the needs of St Helena today while also providing a strong foundation on which to build the economy of tomorrow.






- Until COVID-19 restrictions, tourism has seen a good increase, in line with what was predicted. There were 4,264 arrivals and 4,305 departures by air in 2019, which was an increase relative to 2018 by 12% and 13% respectively. February was a record-breaking month for arrivals; the number of tourist arrivals by air in February 2020 was 247, which is 30% more than February 2019. There is continued PR about the island with articles about St Helena featuring in The Guardian, the National Geographic, BBC History Magazine, CNN and more.
- Work on the Tourist Office to help towards improving the look of buildings in Jamestown and include wheelchair access has now been completed.
- A site for a new 'marine lab' has been identified in Jamestown and funding has been secured. Planning permission has been granted.
- A preferred bidder for fish processing on St Helena was announced in January 2020. The proposal is to set up a Co-Operative amongst local fishers and operate the processing facility without operating subsidy.
- Air freight charges for St Helena fresh produce were waived for business-to-business sales for a trial period beginning in February 2020.
- The Gibraltar International Bank started offering international banking facilities to residents in St Helena.
- The Minimum Income Standard was updated to reflect inflationary increases in prices, and the Basic Island Pension and Income Related Benefit increased as a result. The basic level of IRB for a single person increased from £70 per week to £71.50 in October 2019 and to £71.80 in April 2020. The Minimum Wage increased by 8p in April 2019 and 5p in April 2020. Both changes ensured that those with the lowest incomes were protected against price increases.
- SHG's Waste Management Service (WMS) have implemented aluminium drink cans recycling on site at HPLS with the intention of exporting this valuable waste stream. Plastics recycling is being undertaken by Shape.
- ESH achieved an overall "A" rating (Outputs met expectations) for DfID funded Project Programme






This progress is on top of the progress outlined in the first End of Year progress report, published in June 2019.








The following section outlines the actions relevant to 2019-20 and specific progress.






SEDP Sector






Mitigation actions	Progress Comments	Progress status
Common Issues		
Non-residents need access to banking in St Helena to facilitate consumer spending and investment	Bank of St Helena now offer a debit card which is available for use in most outlets on the Island. Gibraltar International Bank now provide international bank accounts to St Helena residents. SHG is also looking into a way to provide terminals to businesses in St Helena which accept international card payments.	 done Final stages of project
Freight costs of exports should be reduced to the lowest amount sustainably possible to ensure not all containers are returned empty.	Containers for export are at a discounted price. A subsidy was in place in 2019 to shelter businesses from increased freight costs from fuel price rises.	 done
 Tourism		
Continue to train managers, chefs, and hospitality staff. Offer Customer Care training.	Hospitality courses have ceased and the ESH chef trainer has not been replaced after his contract ended. The provision of vocational skilled training has now largely switched to the St Helena Community College, and ESH no longer resources a bespoke Hospitality Training Manager. SHCC has started exploring options for delivery, as they have approx. six individuals interested in NVQ related training, across a number of different Hospitality related subjects. However, the barrier to this is that City & Guilds require a minimum of ten candidates per individual course to allow these to be accredited through SHCC. St Helena is filling the majority of its chef vacancies through immigrant labour and there is on the job training.	 in progress

<p>Tourist Office to survey visitors and tour operators, and record and address issues systematically. Encourage providers to use Trip Advisor.</p>	<p>Visitor survey results were published via a press release in January 2019. The surveys continue to be issued. A new app, Inside St Helena, has been developed by the private sector to assist local marketing. This is on top of other providers such as St Helena Bookings and the Property Finder etc.</p>	<p> done</p> <p>Outcome achieved</p>
<p>Show business why it is important to use disclaimers and insure.</p>	<p>Ongoing however due to the current climate because of the pandemic, business are not willing to renew or invest in any new insurances. There is, however, a new provider of Insurance meaning there is now competition in the Insurance offering.</p>	<p>Not started</p>
<p>Ensure more attractions are open, particularly on Sunday. Ensure entry fees or donation boxes are located at tourist sites, and use funds to improve sites.</p>	<p>The Tourist Office opens on Sundays. The Yacht Club opens on Sunday afternoons, as well as the White Horse and The Standard, Rosie's Mantis and other businesses on an occasional basis. The Museum, Longwood House, Plantation House, Napoleon's Tomb still do not open on a Sunday.</p>	<p> in progress</p>
<p>Ensure litter picking parties address litter at tourist attractions and post box walks. Undertake annual litter awareness campaigns and introduce fines for littering. Ensure public toilets are refurbished and cleaned. Demonstrate a local pride in Environment.</p>	<p>Waste Management Services (WMS) developed a waste prevention campaign (marine pollution) with EMD Marine, SHNT Marine and SHAPE for December 2019. Targeted tidy-ups have continued such as; Plantation Forest, Redhill to White Gate and Merrimans Forest. Roadside litter picks by RCV crews have continued. Post Box Walks are managed by Tourism which currently do not include litter picking. Anecdotally the Contractor picks up litter if he sees it. But this is not formal contract clause. There has been a refurbishment of the Duke of Edinburgh Playground toilets and toilets opposite the museum. WMS clean public toilets regularly (daily in Jamestown).</p>	<p> in progress</p>
<p> Fisheries</p>		
<p>Continue to engage with and sell to international customers who desire a high quality, sustainable product.</p>	<p>Weekly export of fresh tuna by air began in January 2018. But then the industry ceased exporting during 2019 due to financial failure of the SHFC. A new Co-Operative is being developed in 2020.</p>	<p> in progress</p>

<p>Ensure a site is available for the relocation of the Fish Processing Plant, for a newer more efficient plant to be built.</p>	<p>The phase 1 plans for Rupert's confirm that the fish processing unit can be repurposed on the existing site.</p>	 done
<p>Scientific work should be undertaken to determine sustainable catches.</p>	<p>New marine based posts have been funded in 2018-2020 to collect data and improve science. Outcomes are expected in 2021. Further work on bigeye as part of a science programme linked to an exploratory licence is required.</p>	 in progress
 <p>Agriculture</p>		
<p>Encourage more suppliers to submit planting data and harvest data.</p>	<p>Recommendation has been raised as part of the Review Of the SHG Agricultural Estate for all SHG agricultural land tenures to require production data to be provided as part of the tenure agreement and for this to be included in legislation. Agriculture Improvement Ordinance proposed for reform in 2020 by ENRP and to have this included.</p>	<p>Not started</p>
<p>Ensure veterinary service is staffed and sufficiently to meet demand.</p>	<p>Veterinary service is currently fully staffed, although not all are localised posts yet.</p>	 done
<p>Community College to ensure that agricultural studies are available.</p>	<p>Education with support from ESH has contracted a service provider to work on Agriculture Upskilling and Training. This contract includes the development of appropriate Agriculture/Land Based courses, the upgrade of Harpers as an Agriculture Centre, affiliation with relevant overseas organisations and training of staff to support the delivery of the Agriculture Programme in PAS and through SHCC.</p>	 done & ongoing

 Coffee		
<p>Offer crown land to experienced coffee producers where they identify land as a requirement for expansion.</p>	<p>The Land Development Control Plan update is in progress.</p>	 in progress
 Satellite Ground Stations		
<p>Continue to communicate with those expressing an interest in developing a ground station on St Helena and develop associated Memorandum of Understanding when the time is right.</p>	<p>Ground Satellite Station companies have been engaged to express interest. Work is being undertaken to achieve planning permission for a 'space park'</p>	 in progress
<p>Strategically allocate potential plots of land for the satellite ground station well in advance.</p>	<p>Initial plot options have been identified with Lands & Estates, based upon their suitability to track satellites (with a north/south view to the horizon). The Bradley's Camp Option was agreed in principle by the Estates Strategy Panel as the principle location of the 'space park'. But since Bradley's Camp is now being used as a quarantine, the alternative sites of Horse Point and White Hill are being considered.</p>	 done & ongoing
 Honey and Honey Bees		
<p>The public should be encouraged to grow non-invasive flowers which are good for bees.</p>	<p>National Trust are selling a small amount of plants as and when it is available, due to the nursery not been run on a full-time basis. The bee brochure was published and is available in hard copies at strategic points across the island and is also</p>	 done

	available on SHG's website. A further promotion on bee-loving plants was advertised in the local media by ESH during April 2020.	& ongoing
 Liquor, Wine and Beer		
Work with BOSH and ESH to continue to ensure sufficient finance is provided to export sectors in St Helena	Loans are available for all sectors. There should be more consideration for low cost loans for SEDP sectors in 2021. ESH grants are now only focused on start-ups and expansions within SEDP sectors.	 done & ongoing
 Academia, Research and Conferences		
Ensure there are suitable venues available to host conferences and provide conferencing infrastructure.	The Engage 2020 conference occurred and a Digital Conference was planned for 2020 and postponed due to COVID-19. Since the last reporting, Tourism has not been involved in assisting with conferencing on island due to COVID-19. ESH has been in discussions with SHCC and SHRI regarding involvement in virtual conferences during the current pandemic, for example the Virtual Island Summit in September 2020.	Project Inception
 Ship Registry and Sailing Qualifications		
Support training of those willing to set up a sailing school in St Helena. Support immigration where there are skills gaps.	The Yacht club was relaunched in 2018 by the Herne family; sailing opportunities are now available to the public. A range of RYA courses currently being implemented by the SHCC. There are no plans for a business to set up a sailing school yet.	 in progress

 Timber		
<p>Update the inventory. Thin forests to encourage tree thickness. Research and document commercial uses of species. Plan growth of valuable species.</p>	<p>This activity was not completed during the period 2019/20. It is anticipated that it will be completed by the end of Q3 2020/21</p>	 in progress
<p>Community College to ensure that a carpentry apprenticeship/courses are available.</p>	<p>City and Guilds Level 1 Building Construction offered which includes a Unit on carpentry. Also offered Level 2 Diploma in Bench Joinery. This is currently offered at PAS as part of the Apprenticeship Programme.</p>	 in progress
 Bricks, Blocks, Minerals and Rocks		
<p>Ensure that there is a positive legacy from the Airport and BFI projects; in particular to ensure that plant stays on island where it would deliver cost savings and import substitution.</p>	<p>Bricks and Blocks continue to be available on Island and are the principal choice for house building.</p>	 in progress

This report was developed by St Helena Government's Performance Manager, Chief Economist and Statistics Office

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